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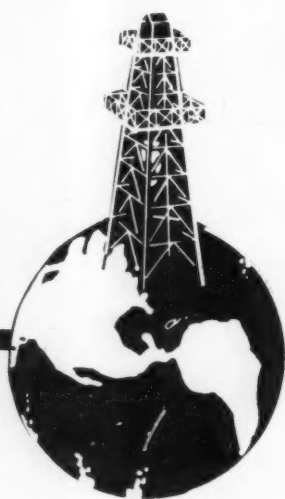
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The National Weekly Newspaper of Fire and Casualty Insurance

61st Year, No. 2
January 10, 1957

Sees Rate Rises Needed to Escape from Loss Column

Diemand Reports Premium Rise, Casualty Profit, Foreign, Reinsurance Gains

No series of catastrophes struck during the past year to carve chunks out of underwriting profits, John A. Diemand, president of North America companies, comments in a review of 1956 operations and an assessment of the outlook for 1957. But the continued high frequency and severity of losses plus rising costs in every branch of the business had a



John A. Diemand

corrosive effect on underwriting earnings in 1956, he stated.

Despite this unfavorable trend, North America had a relatively good year. Progress was recorded on all other fronts. Premiums written totaled \$284 millions, better than a 5% increase over the 1955 record volume of \$270 millions. North America and Philadelphia F&M. wrote \$173 millions of the total, for an increase of 3.6%. Indemnity of North America wrote \$111 millions, an 8.2% increase, (CONTINUED ON PAGE 31)

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National Board to Plug Proper Cover, Agent on Radio, TV

National Board is expanding in a major way its advertising program.

A 13-week series of radio and TV spot announcements will begin in March and will emphasize the need for adequate insurance, the superiority of capital stock insurance, the importance of the independent local agent, and the need for complete coverage in amount and kinds.

The campaign will point out that the increase in dollar cost of buildings and contents should not be overlooked in deciding the amount of insurance needed. The history of losses during the past 10 years has shown that many households adequately protected when the policies were first written today are not carrying sufficient insurance to offset the increased prices.

Radio outlets countrywide and TV stations in principal market areas have been selected to reach the insuring public, Lewis A. Vincent, general manager of the board, stated. In addition, local agents through their associations and individually are being supplied material to supplement the National Board program in order to get the message to the public.

With Alan H. Miller of Hackensack, N. J., chairman of the public relations and advertising committee of National Assn. of Insurance Agents, and James R. Mathews, promotion manager of NAIA, plans have been developed for regional meetings with representatives of NAIA, to acquaint them with the promotional material and aids for furthering the program. The meetings will be held in Chicago, San Francisco, Atlanta, New York and San Antonio.

President Robert E. Battles of NAIA promptly issued a statement praising the companies for their plan to advertise the dangers of inadequate fire insurance. He termed it a public service step. Agents will heartily endorse and support the program, he declared and pointed out that Mr. Miller had telephoned all state association officers alerting them to the series of regional meetings set up by National Board to explain the new program. A member of the NAIA will attend each of these meetings and help explain all phases of the ad program. Archie M. Slawsky of Nashua, N. H., at Chicago Jan. 15, Mr. Battles and Stephen R. Dach of Beverly Hills, Cal., NAIA advertising committee member, at San Francisco Jan. 17, Vice-president Louie E. Woodbury, Wilmington, N. C., at Atlanta Jan. 18, Morton V. V. White of Allentown, Pa., Mr. Miller and Warren Bodwell of Manchester, N. H., and John S. Sheiry of Bridgeport, N. J., members of the advertising committee plus NAIA staff personnel at New York meeting Jan. 22, and Porter Ellis of Dallas, at San Antonio Jan. 24.

Wilson G. Taylor, president of the Taylor System, specialists in the removal of paint and other chemical damages from automobile finish, spoke at the January meeting of Automobile Claims Assn. of New York.

W. Va. Insurer Tax Held Invalid, Case Goes to High Court

The West Virginia license tax imposed on insurers by the 1956 legislature has been held invalid by Circuit Judge Taylor. On his own motion, Judge Taylor has certified the ruling to the state supreme court of appeals.

The suit attacking the levy was filed by Phoenix Mutual Life, Life of Virginia, Niagara, Standard Accident, and Employers Mutual Liability from out-of-state, and by Inland Mutual and Security, both of Huntington, W. Va.

The companies contend that the tax empowered the state to impose a corporation tax on a company's capital stock or unassigned surplus on a nationwide basis, regardless of the amount of its business in West Virginia. They argued the 593 companies would be adversely affected by the new tax.

Judge Taylor held the tax improper because of the "and/or" language in the statute. This, he indicated, discriminated between stock and mutual insurers, since the law stipulates that the tax may be based on capital stock or unassigned surplus, whichever is greater.

Judge Taylor also ruled that the tax violated the due process clauses of both the state and federal constitutions. But he upheld the state's contention that the tax did not constitute an unlawful burden of interstate commerce. He also agreed with the state's claims that the tax did not represent dual taxation, being the only tax on the privilege of engaging in the insurance business in West Virginia, and that its imposition was founded on a reasonable basis for determining the value of the privilege.

Insurers contended that the act actually imposes an excise tax, which, if carried out to its logical purpose, would make doing business in insurance prohibitive in the state.

The levy was to have gone into effect last July 1, but its imposition was stayed by a restraining order issued by Judge Taylor last summer and kept in effect pending outcome of the litigation.

Guy Carpenter & Co. Inc., reinsurance intermediaries of New York, have appointed D. Lane Bates and Robert J. Newhouse assistant vice-presidents.

National Standard of Houston has been licensed in California.

Federal Flood Unit Names Statutory Advisory Committee

Insurance Well Represented, Other Groups to Be Named Including Producers

WASHINGTON—Frank J. Meistrell, federal flood indemnity administrator, has appointed the advisory committee of representatives of insurance, labor, agriculture and consumers which is specified in the statute creating the instrumentality.

Members are Clinton L. Allen, president of Aetna Fire group, John H. Gardner, executive vice-president of Hiram C. Gardner of Denver, Walter L. Hays, president of American Fire & Casualty, J. Victor Herd, president of America Fore group, Gov. Hoegh of Iowa, and James C. Hullett, president of Hartford Fire.

Also H. Clay Johnson, deputy U. S. manager and general counsel of Royal-Globe group, L. A. Johnson of Lindsborg, Kan., farmer and stockman, Leonard Peterson, executive vice-president of Home, David M. Lilly, president, Toro Manufacturing Co. of Minneapolis, and Aksel Neilsen, president of Title Guarantee Co. of Denver.

Also John V. Russell, president of Philadelphia Manufacturers Mutual, one of the factory mutual group, Boris Shiskin, secretary of the housing committee of AFL-CIO, and Guy T. Warfield of the Warfield-Dorsey agency, Baltimore, past president of National Assn. of Insurance Agents.

The most difficult task of the Flood Indemnity Administration, Mr. Meistrell said in announcing the committee, is to define the government's liability under widely differing flood conditions and to determine rates that will induce the broadest coverage under the law.

The advisory committee will study these problems and make recommendations for their solution, he said. It will help integrate the indemnity administration and insurers, which will market the coverage.

He added that other industry advisory groups will be named later on, including one of agents and brokers, which will assist the statutory advisory committee in its work.

Late News Bulletins ...

Phoenix of Hartford Names Officers

Phoenix of Hartford has promoted Walter E. Smith to assistant vice-president, Frank W. Marsh and Armin J. Mueller to secretaries and John C. Davison to assistant secretary.

William P. Gwinn, president of United Aircraft Corp. and great grandson of Henry Kellogg, founder and a former president of Phoenix, was elected a director.

Mr. Smith joined Phoenix in 1915, became assistant superintendent of the special risks department in 1934, superintendent in 1936, assistant secretary in 1947 and secretary in 1951. He is assistant vice-president in charge of the administrative services department, which includes the research and engineering (CONTINUED ON PAGE 36)

Up-Cycle Ahead, 1957 Is Time to Buy Insurer Stock

J. W. Middendorf III of Wood, Struthers & Co., members of New York Stock Exchange, comments on the current outlook for fire and casualty insurance, as follows:

This month, fire and casualty insurers will begin tabulating their actual underwriting results for 1956 for their reports to stockholders to be published in February and March. In this connection it is already well known to those who closely follow the industry's fortunes, however, that the year just passed will rank among the worst in history for the industry. In normal years it is expected that some lines will be bad and some good, but it seems that almost every major line was bad in 1956. While there were no major catastrophes of the proportions of the hurricanes in 1954, the Livonia fire, or the Texas City explosion, a great numerical increase in smaller disasters occurred, sharply increasing fire and casualty losses. Fire losses were up more than 10% for the first six months, and indications are that there was only slight relief from this rate in the following months. Automobile accidents soared in 1956, and the number of fatalities were at an all-time high. There were also a number of sea disasters which seriously affected the normally profitable ocean marine lines. Over-all, it can be expected that there will be few statutory profits this year and that the industry over-all probably operated in the red. How far the pendulum has swung can be appreciated when it is recognized that in 1949 the industry enjoyed an underwriting profit margin of more than 10%.

Behind these results are certain basic trends. For several years prior to 1953, rates had been steadily increased in most lines. Following a period of very successful underwriting results, however, insurers found it necessary to reduce rates, so that at the beginning of 1956 they had been substantially reduced in most of the lines. Combined with this action, based on good experience, was the correlative incentive on the part of the bureau companies to see rates reduced for competitive purposes, especially in the automobile lines. This important segment of the fire and casualty industry has witnessed a tremendous increase of direct-writing competition in recent years. Companies such as Allstate and Nationwide have been extremely successful in building premium volume at a rapid rate, largely through the ability to undersell the bureau companies by a portion of the savings of the agents' commissions. Bureau companies themselves have been quite reluctant to pressure for rate increases until recently, because by so doing they would have, in fact, widened the differential between themselves and the direct writers. As it appears that the inflationary spiral, after a period of several years of relative stability, has returned, it seems imperative for the health of the industry that rates again be readjusted upwards.

What are the logical effects upon the industry of a period such as the one it is now going through? Perhaps the most important is the current emphasis that is being given to effecting economies. Companies have been re-

(CONTINUED ON PAGE 35)

Southwest General Carries Graduated Rate Plan to Okla.

A filing by Southwest General for graduated rates on dwellings has been approved in Oklahoma effective Jan. 1. The rate deviations are the same as those in effect in Texas, calling for standard rates on the first \$5,000, a reduction of 40% for the excess of \$5,000 up to \$10,000, 50% for the excess of \$10,000 up to \$15,000, and 30% for the excess of \$15,000.

The deviation applies to fire, EC, AEC, form 49S for dwellings and 49D for dwellings and contents.

Southwest General has had a similar filing in effect in Texas since Nov. 1, although there was a moment of doubt when the department reversed itself and decided the filing was not acceptable. A court order has set this ruling aside and the Texas filing continues in effect. Other companies using the graduated rates in Texas are London Assurance, Manhattan F.&M., Birmingham Fire of Alabama, Maine Bonding, Houston-American and Vigilant.

Comm. Humphreys Will Keep Job Under New Mass. Governor

BOSTON—Though Gov. Furcolo, who has just taken office here, is a Democrat and Insurance Commissioner Humphreys is a Republican, there is no expectation that the new governor will move to supplant Mr. Humphreys.

Mr. Humphreys was appointed for a 3-year term last April and it would be distinctly unusual for a governor to oust a department head during his term of office for no better reason than to replace him with a member of the reigning political party. The governor would have to obtain the consent of his council, which he could probably get, since it is of his own political faith.

However, in the absence of any basis for seeking Commissioner Humphreys' removal or even any political feud between the two men, the seeking of a commissioner's ouster would probably be considered politically unwise. Not too many years ago this was done to an insurance commissioner and the political reaction was definitely unfavorable.

Since the election of a Democratic governor in Massachusetts last November, there has been considerable speculation on Commissioner Humphreys' probable tenure but it didn't come from those who are aware that other considerations than the operation of spoils system are involved.

It is true that Commissioner Humphreys has been under fire to some extent in connection with rates on automobile insurance but this is not looked upon as anything that would be likely to be used as a basis of an ouster move by the governor. The new governor is much more likely to be absorbed in making a record for positive and constructive actions rather than engaging in a feud with a department head of the opposite political camp, according to observers here.

Change Ohio Federation Date

Insurance Federation of Ohio has changed the date of its legislative banquet to Feb. 5 instead of Jan. 29 as previously announced. The banquet will be at Columbus.

Sullivan Retires, Loyalty Group Names Vore at S. F.

Fred W. Sullivan, vice-president and Pacific department manager of Loyalty group, will retire Feb. 1 under the organization's retirement plan. He will be succeeded by Howard D. Vore, who is presently vice-president in charge of underwriting and production at the home office.

Mr. Sullivan has been with Loyalty group for 32 years and has been in insurance for 50 years, beginning in 1907 with the western department of American at Rockford, Ill. In 1912 he was made a special agent in the midwestern states, and in 1917 was appointed Michigan state agent for National Union. He went into the agency business in 1921 with Roe & Sullivan in Detroit, disposing of his interests in that firm in 1925 to become Illinois state agent for Firemen's of Newark.

He was appointed superintendent of agencies for Loyalty group's fire companies in the western department in 1928, later becoming assistant manager, and in 1931 was appointed secretary for all companies and transferred to San Francisco. In 1934, Mr. Sullivan was appointed second vice-president in the Pacific department of Loyalty group, becoming vice-president and manager and a director of Firemen's in 1948.

Mr. Sullivan is a past president of Michigan Fire Prevention Assn., a PMLG of Michigan Blue Goose and in 1942 was president of California Safety Council. He has served on the Pacific coast advisory committee of the National Board, on the governing committee of Pacific Fire Rating Bureau and on the advisory committee of Underwriters Salvage and General Adjustment Bureau.

Mr. Vore served in the San Francisco office of Loyalty group from 1943 to 1950, becoming a second vice-president there in 1948. He transferred to the home office in 1950 in charge of the New York-New England-Canadian territory, and last year was placed in charge of underwriting and production of the entire eastern department.

He started his insurance career in 1920 with U.S.F.&G. at Omaha, first as claim adjuster and then as special agent. He went with Metropolitan Casualty in 1925 as special agent, and later was branch manager for the casualty companies of Loyalty group at St. Louis, and then Milwaukee and Hartford. He was made superintendent of the casualty and bonding division in the western department in 1940, being named assistant secretary in 1942. He transferred to the Pacific coast department the following year as secretary.

Kemper Group Enters Ocean Marine Field

The Kemper group has entered the ocean marine insurance field and has appointed John N. Blackman as manager of the new ocean marine department. He will have headquarters at New York.

Mr. Blackman began his insurance career as an ocean marine underwriter for Boston while attending Boston University law school from 1947 to 1950. For the next four years he was in charge of ocean and inland marine production and underwriting at Baltimore for Boston, and in 1954 was transferred to New York as assistant manager in the ocean marine department.

Crum & Forster Moves Ohio Supervision to Pittsburgh Office

Ohio connections of Crum & Forster, which have been handled out of the western department at Freeport, Ill., have been transferred to the Allegheny department at Pittsburgh, and the enlarged organization there will be known as the Allegheny-Ohio department.

C. C. Ippenlatz, Crum & Forster manager at Detroit supervising Michigan, has been transferred to the new department as general manager, and A. J. Danziger, Cleveland manager, has also gone to Pittsburgh as production manager for the entire department. W. C. Fland continues at Pittsburgh as vice-president, and Leo S. Schober, assistant manager at Pittsburgh in charge of fire and allied line underwriting, continues in that capacity. William Kurz, who has been supervising underwriter for Ohio at Freeport, has been transferred to Pittsburgh in the same capacity.

The Allegheny-Ohio department will supervise western Pennsylvania, West Virginia, and Ohio.

In announcing the change to the agents, Vice-President W. A. Seely of the western department comments that the addition of marine, casualty and surety lines to the Freeport operation has produced a premium income that has put space and expansion possibilities at a premium, even though the Freeport office was enlarged recently.

Insurance Teachers Elect C. C. Center

At a recent meeting in Cleveland, American Assn. of University Teachers of Insurance announced the election by mail ballot of Charles C. Center, University of Wisconsin, president; William T. Beadles, Illinois Wesleyan university, 1st vice-president; Dan M. McGill, University of Pennsylvania, 2d vice-president, and Kenneth W. Herick, University of Connecticut, secretary-treasurer.

Victor V. Sweeney, University of Florida, was elected to the executive committee. Other members of the committee will be Hampton H. Irwin, Wayne State university and immediate past president; John Cowee, University of California, and Maurice J. Pierce, Standard Accident.

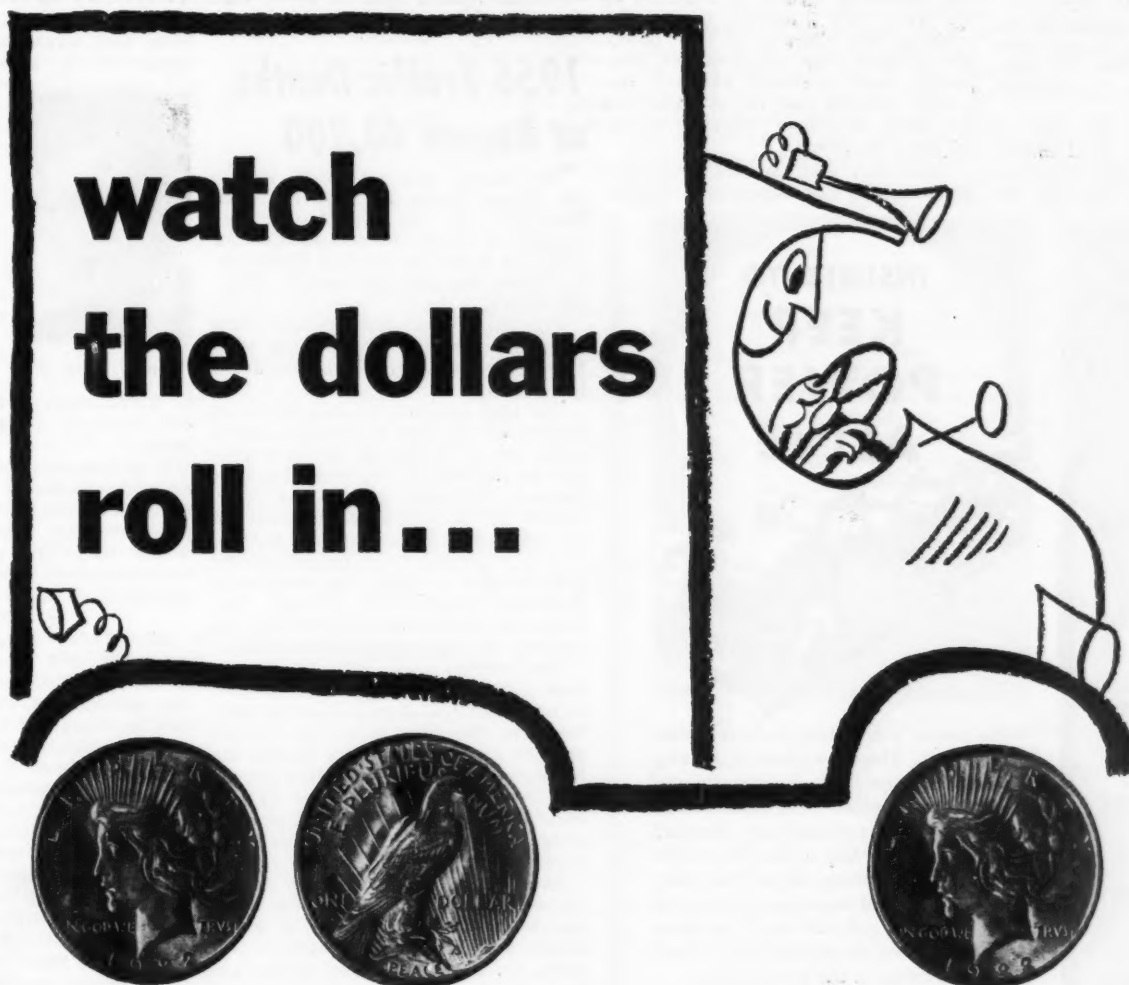
VA Lets Assignment Test Case Appeal Date Pass

The Veterans Administration has not filed for a rehearing in U. S. vs St. Paul-Mercury Indemnity, the test case on assignment of hospital benefits to the VA. Failure of the government to file a motion for a rehearing within 20 days after the decision of the U. S. court of appeals at St. Louis makes it appear certain that no appeal will or can be taken to a higher court.

The issue was whether veterans receiving free services in a VA hospital after having signed a pauper's oath could then assign benefits under their hospitalization coverages to the VA. The companies protested that if the veteran incurred no liability the insurers did not either.

Frederick Schrier has been elected assistant vice-president and Joe L. Scroggs comptroller of Universal Underwriters agency of Seattle.

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Kemper Companies' Premiums Top \$175 Million in '56

Assets of the Kemper companies exceeded \$300 million Dec. 31 and sales in 1956 totaled \$175 million, the highest in history, James S. Kemper, chairman, reported.

In reviewing results for 1956 at meetings of the boards of Lumbermens Mutual Casualty and American Motorists in Chicago, Mr. Kemper said

"We believe underwriting results will be very satisfactory in view of general industry problems."

"After all," he said, "we always have sought quality and not volume. Our operating results, as reported by the New York insurance department, evidence the efficacy of that policy. We suffered with all insurance companies from increased accident frequency, greater cost per accident and the delay in proper reflection of experience in rates.

"Now that elections are over, it is to be hoped that supervising author-

ities will grant justified rate adjustments."

He pointed out that it appears both fire and casualty loss ratios will be up for all companies, "but fortunately our underwriting result is better than the industry average."

1956 Traffic Deaths at Record 40,200

The traffic accident death toll in the United States for 1956 has been estimated by the National Safety Council at 40,200, the greatest number of traffic deaths in one year in history, exceeding the previous record of 39,969 in 1941.

The council said the estimated 1956 total was about 5% and more than 1,700 lives greater than the 1955 death toll of 38,426.

The 1956 estimate is based on actual reports for the first 11 months, with a death toll of 36,000 for that period—also an increase of 5% from the comparable 11-month period last year. Deaths for November alone went up 4%, thus resuming the upward pattern that had prevailed for 19 consecutive months until a sharp and unseasonal reduction occurred in October. The November death total of 3,700 was the highest for that month since 1941.

The council said there had been hope of holding the toll under the 1941 record until the closing days of 1956. However, the final November figures and the heavy loss of life during the holidays left little chance that the final December figure will be 32 less than last year's December toll of 4,000—the achievement necessary to avoid breaking the record.

Even more discouraging to traffic authorities was the fact that the mileage death rate—the measure of traffic deaths in relation to mileage—is still going up. The latest travel figures are for nine months, and mileage was up 5% over the same period of 1955. For the nine-month period, deaths were up 7%, resulting in an increase in the mileage death rate (deaths per 100 million miles) from 6.0 to 6.1.

Installment Pay on Reporting Forms in W. Va.

West Virginia Inspection Bureau has promulgated a revision in rules which permits use of installment premium endorsement on reporting forms and on policies written subject to rate, eliminates the requirement for short rate cancellation of policies in order to attach the installment premium endorsement, and provides a method for use of the endorsement on blanket policies written at a published blanket average rate covering both eligible and ineligible property, effective January 1.

Beuermann Heads CPCU at Washington, D. C.

H. T. Beuermann of the H. L. Rust agency has been elected president of the Washington, D. C., CPCU chapter, Lowell E. Seim of Howard & Hoffman agency vice-president, Walter D. Neighbors of Ralph W. Lee & Co. secretary, and Asher D. Kahn of Travelers treasurer.

\$8 Million Bond at Los Angeles

Los Angeles metropolitan water district has awarded an \$8,492,547 contract to American Pipe & Construction Co., Los Angeles, for construction of a siphon on the Colorado river aqueduct between Rice and White-water, Cal. Fidelity & Deposit is surety.

Baker and Casler to Higher Posts With North British

M. B. Baker Jr. and H. W. Casler have been advanced from deputy assistant U. S. managers to assistant



H. W. Casler



M. B. Baker Jr.

U. S. managers of North British, parent company of the North British group.

It is contemplated that directors of associated domestic companies in the group will elect both of them vice-presidents of those companies, in which they are presently assistant vice-presidents. Both already are vice-presidents of Central Surety.

Mr. Casler joined North British group in 1950 as assistant secretary in the inland marine department, and was advanced a year later to secretary in charge of countrywide operations. In January, 1955, he was named deputy assistant U. S. manager and assistant vice-president. He has had wide experience in inland marine underwriting, particularly and latterly with all phases of production.

Mr. Baker was an engineer with Ohio Inspection Bureau. In 1947 he joined North British group as Ohio state agent. About a year later he went to the home office in New York as automatic sprinkler and chemical engineer for the improved risks department, subsequently serving four years as assistant department head. In January, 1955, he was named deputy assistant U. S. manager and assistant vice-president.

Kemper Group Names Two in Boiler Changes in East

L. W. Arny has been named manager of boiler and machinery production for the Summit division of the Kemper companies' eastern territory.

Mr. Arny joined the Kemper organization in 1942 in Philadelphia. In 1946, he was named field man for the James S. Kemper & Co. agency in Philadelphia. More recently he has been manager of the agency's boiler and machinery department.

David M. Jewett becomes manager of boiler and machinery department at Philadelphia for James S. Kemper & Co. agency. He joined the Kemper organization in 1955 as a special agent of the agency at New York. Recently he was transferred to Philadelphia as a boiler production field man.

Elect in Jefferson County, Wis.

Jefferson County (Wis.) Insurance Underwriters Assn. elected Donald Knick president; Christie Coogan vice-president; Arthur R. Setz secretary-treasurer; and O. S. Donkle, David Cunningham, and Lester Haas directors.

Fred Schramm of America Fore group addressed Brooklyn Insurance Brokers Assn. on occasion of the installation of its 1957 officers. He spoke on family automobile cover and discussed recent changes in compulsory auto.

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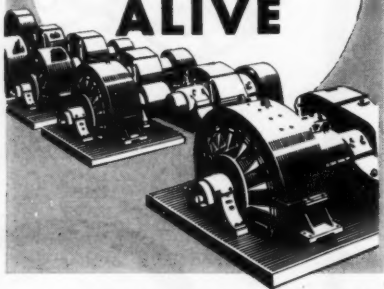
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AFTER *Extra Value* in prompt assistance should an accident occur. HSB Field Inspectors and Adjusters, familiar with your power equipment, can render capable, on-the-spot service to settle claims promptly—speed rehabilitation.

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Weighs Impact of Multiline on Cover, Rate Bureau Jurisdiction and Costs

Efforts to preserve rate making jurisdictions should not be permitted to retard the development of broad coverages, William H. Rodda, secretary of Transportation Insurance Rating Bureau of Chicago, told the annual meeting of American Assn. of University Teachers of Insurance in Cleveland.

The new multiple line coverages are providing the public with broader coverage at lower rates, he stated.

The insurer saves money when larger amounts of insurance are purchased in a package policy. This compares with lower rates provided for theft and inland marine when larger amounts of insurance are purchased. It also compares to the thinking behind the graduated fire insurance rates recently filed in Texas and Florida. The average premium for homeowners, for example, is in the neighborhood of \$200, as compared to an average premium of considerably less than \$100 for fire and extended coverage alone. This justification is based upon the idea of credit for wholesale purchases, an established part of American economic life.

The second reason advanced to justify credits from established rates in packaging of coverages is that the packaging encourages a higher proportion of insurance to value. For example, he said, homeowners A and B require that the amount of insurance on household contents always is 40% of the amount on the building.

A third justification for reducing the rate for packaging of coverages is that it eliminates selection against the insurer for specialty types of insurance. The man who owns a dog or who has children who break neighbors' windows is more likely to buy comprehensive personal liability than the man who lives in an apartment, or who has no pets. When he buys a package, however, he buys CPL regardless of his own estimate of possible loss. The result is a much wider sale of the specialty coverages, and a lower loss potential in relation to the number of policies sold.

Thus the making of rates for multiple line coverages is essentially the adding together of rates for known elements in the package, the modification of these rate elements to fit the circumstances brought about by the packaging, and the adding of judgment factors for unknown additional hazards.

What changes may be brought about

in these rates as experience is developed? Mr. Rodda asked. Are portions of the rates likely to be merged further into indivisible rates? Will the rates be modified according to experience? What statistical treatment can be expected? What deficiencies exist in the present rating methods and what improvements can be expected in the future?

When extended coverage was introduced in the 1920s, he recalled the principal factor was the windstorm rate. Up to that time, windstorm had been sold in small amounts and with little regard for the insurable value of the property. There was no credible experience to indicate what would happen if windstorm were carried in the same amount as fire. Rates for EC were established on what underwriters and rate makers considered the probable windstorm loss, with an additional factor to cover what were

then unknown hazards. Practically no insurance had been written up to that time against the hazards of vehicle and aircraft damage, and little against the hazards of explosion and the other hazards covered by EC. The rating method used was closely comparable to that which is being used today in connection with the new packages.

Through the years the EC rate has more and more come to stand on its own feet. Windstorm is still the principal cause of loss, but no one thinks today in terms of a windstorm factor for EC plus a factor for the other coverages. The EC experience is taken as a whole, and rates modified accordingly.

It seems clear, he said, that there will be more and more consolidation of the various factors which now go to make up the rates and premiums for the multiple line coverages.

In one year one such consolidation has been made. When the mercantile block form was filed about a year ago, there were four rating elements in the rates, fire, EC, theft, and "all other." In the revision of three months

ago, these were reduced to three, fire and EC and "all other." There have been serious suggestions during the past few years that fire and EC rates could be combined. This probably would have the desirable effect of encouraging EC in those areas where there is still a substantial portion of property insured against loss by fire only.

The new multiple line coverages require rates for coverages now being handled by all of the various types of rating bureaus, Mr. Rodda commented. While automobile insurance presently is not included in the established ML coverages, it appears to be merely a question of time until it is.

There was developed a 3-bureau method of making comprehensive dwelling policy filings which has come to be known as the "hand-in-hand" method. This tends to preserve the established system of rating bureau and tends to preserve the information and experience developed on the individual coverages. Each participating organization will have its views

(CONTINUED ON PAGE 30)

"Put your best foot forward"

advises Robert W. Lambert (r) Flint, Michigan broker, shown here with Robert V. Winters (l), Manager of Prudential's Flint Agency, and Mr. Keith E. Bacon, owner-manager of Keb's Shoe Store in Flint.

"You get off to a better start when you can impress a life insurance prospect with your thorough understanding of his needs" says Bob Lambert. "And it's much easier to do this when you get help from Prudential's Brokerage Department in planning and presenting your proposal. Prudential has always

taken a very genuine interest in my problems. It was Prudential's Robert Winters who helped me sell a policy to Mr. Keith E. Bacon, owner and manager of Keb's Shoe Store.

"And yet, with all Prudential's willing and effective help, I still get the full commission."

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This man should have 10 years Casualty Underwriting experience, some in Home Office. This position is in the east with a well established company. Salary \$10,000. to \$15,000.

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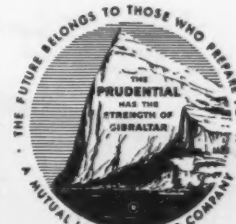
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INSURANCE COMPANY OF AMERICA

LIFE INSURANCE • ANNUITIES • SICKNESS & ACCIDENT PROTECTION • GROUP INSURANCE • GROUP PENSIONS



NU 51

Says Agent Is Entitled to Earned Premium When Insured Fails to Cancel

The agent was entitled to the earned premium on a policy which insured failed to surrender and cancel within the 20-day cancellation period provided in the policy, Louisiana first circuit court of appeals decided in *Fisk vs. Rowe*. The agent, John W. Fisk, paid the premium on the policy. The court ruled that he was entitled to maintain an action for the premium earned in the time in which insured

held the policy. 8CCH (Fire & Casualty) 1115.

Rowe's property was first insured by Fiske in 1953 and was renewed each year thereafter until 1955, when a dispute between the parties developed. Rowe paid for the policies in 1953 and 1954, although in 1954 he did not pay his premium until he had experienced a loss of \$7,000, which was paid by the insurer. The property

insured was mortgaged to Port Barre industries, and the mortgagee, which held the mortgage payable clause, was the party which had originally asked the Fiske agency to insure the property.

Prior to 1955 the annual premium for fire and extended coverage amounted to \$1,340, but because of the 1954 loss, the company increased the premium to \$2,027.

On May 20, 1955, the Fisk agency mailed Rowe a renewal policy with an invoice for the increased amount. After considerable correspondence be-

tween the agency, mortgagee and Rowe, the policy was returned to the agency for cancellation Sept. 17, 1955. The agency then sued for the earned premium.

Rowe contended he had never accepted the policy and therefore owes nothing. The lower court entered judgment for him and dismissed the agency's suit.

The appeal court points out in its decision that the only question was whether there was an actual contract of insurance between Rowe and the insurer. The agent testified that it is customary in the business for the agent to renew a policy automatically and to forward it to insured. If insured determined he did not want the insurance, he had 20 days to return the policy for cancellation. If insured cancelled in that time, he would incur no premium, even though the policy is in full effect until cancelled. Consequently, the court stated, the insurer had a policy that was in full force and effect until Sept. 17, 1955. Had Rowe sustained a loss during that time, he certainly would have had the right to recover.

Rowe claimed that shortly after receiving the policy and the invoice he took the matter up with the mortgagee and asked that company to get in touch with agency about the increase in rate. The mortgagee wrote the agent in June about the increase, and Fisk stated he conferred with the mortgagee and Rowe shortly thereafter regarding the rate. He was out of town, but on July 21 wrote Rowe and explained the increase in rate. The agent wrote that if Rowe was not satisfied, he should return the policy for cancellation. But Rowe did not return the policy until he had acquired insurance from another company.

Though the lower court did not think so, the appeal court concluded that there was a valid contract of insurance in effect. The higher court noted the custom and practice of the local agent to pay the premiums to the insurer less commissions and extend credit to insured. The appeal court concluded that Rowe's failure to return the policy for cancellation constituted his acceptance by silence or inaction. There was already an instance in which Rowe had paid the premium after collecting a loss.

The custom in the trade is for the agency to automatically renew its policies and sent them to insured, the appeal court pointed out. This practice, while it does benefit the business of local agencies, is of great value to insured, as otherwise they might delay or fail to renew their policies, though in fact they fully intended to maintain their insurance in full force and effect.

Consequently, the court declared, it was incumbent upon Rowe immediately to return the policy for cancellation if he were not satisfied. His failure to do so rendered him liable for the earned premium for the period during which the policy was in force. The agency was entitled to \$917 with interest from the date of the decision, plus costs.

Leon A. Picou Jr., St. Francisville, La., appeared for the agent, and Richard Kilbourne of Clinton, La., for Rowe.

H. Russell Benson, local agent in Milwaukee for Preferred Risk Mutual, has been appointed district manager for Milwaukee, Ozaukee, Washington, and Waukesha counties. Paul Stewart, Madison, is state manager.

SALES BUILDERS

Read what AMERICA FORE'S national advertising is doing for this "live wire" agent:

"Your advertising does focus the attention of customers as I have had several inquiries and as a result have written several policies. I have several other good leads and hope to write them also. I deeply appreciate this good work and am proud to be an agent to represent your good company."

E. B. PANNKUK
Laurens, Iowa

Values have changed!

Where do you get a steak for a quarter today? It's the same with practically everything—your home, its contents, your automobile, even your liability. These represent values never imagined a few years ago.

How about your insurance protection? Have you seen to it that the amounts you carry are adequate—that they include that new TV set, the appliances and other things that you have accumulated from

year to year?

Why not talk it over with a local independent insurance agent? He can give you competent advice, point out critical exposures and recommend the kinds and amounts of protection you need to safeguard all you own.

For the name of a nearby independent agent who represents America Fore companies call Western Union by number and ask for Operator 25.

America Fore
INSURANCE GROUP

This America Fore advertisement appears currently in the following national publications:

★ THE SATURDAY EVENING POST ★ READER'S DIGEST
★ LIFE ★ TIME ★ NEWSWEEK ★ FORTUNE
★ NATIONAL GEOGRAPHIC

★ The Continental Insurance Company
★ Niagara Fire Insurance Company

★ Fidelity-Phenix Fire Insurance Company
★ The Fidelity and Casualty Company of New York

Propose Some Tighter Rules for Forming Insurers in Arkansas

LITTLE ROCK—Stricter control over the formation of new insurers and tighter state insurance laws were recommended here recently in a report to Gov. Orval E. Faubus by a special committee named by him several weeks ago to study proposed insurance legislation for the 1957 general assembly.

Citing the constant threat of federal encroachment into the field of regulation and taxation of insurance, the committee stated that "the more stringent our state laws, the less likelihood of federal encroachment. It is imperative that there be some material changes in Arkansas statutes covering this field."

The report recommended new companies should be required to have a paid-in capital of \$100,000 and a surplus of \$50,000 before being chartered. Present requirements are \$100,000 capital with \$50,000 paid-in.

The committee also criticized the wide difference in insurance stock prices of new companies charged the public as compared with the price organizers of new companies often purchase the same stock. The report recommended a maximum ratio of \$3 to be paid by public subscribers to every \$1 paid by company organizers. In one case this year the public paid \$15 per share for stock of a new company while its organizers, holding a majority of the stock, bought it for \$1 per share.

A new five-man board to pass on stock selling permits issued under authority of the Blue Sky department of the state bank department was recommended with the proviso that permits for sale of insurance stocks would also have to have the approval of the insurance commissioner. Total organizational expenses of new companies should not exceed 20% of the paid-in capital, the report urged.

Other recommendations included raising insurance agents' license fees from \$2 to \$3 and amendment of the state's "Blue Sky" law to full disclosure of plans before stock sales may be authorized.

Commenting editorially on the committee's report, the Arkansas Gazette of Little Rock said: "Actually, the committee's report has watered down preliminary recommendations for increased capitalization requirements, and it has ignored the recommendation that combination sales of stock and insurance policies be prohibited although it does insist that the ratio between the stock price asked of the public and that paid by the incorporators be narrowed. . . . There remains, however, a serious question whether the proposed regulations go far enough."

Washington General Increases Capital

Washington General, the Appleton & Cox insurer, has increased capital from \$1 million to \$1,150,000 and added \$150,000 to surplus through sale of 15,000 shares of \$5 par value common stock at \$10 per share and 15,000 shares of \$5 par value preferred at \$10. The insurer began operations with 1955.

Gumbel Joins C. V. Starr on Coast
John Gumbel has joined the underwriting and production department of C. V. Starr & Co. in San Francisco. He started in insurance in 1946 with Gen-

eral Accident in Philadelphia. In 1947 he moved to Seattle to join Morrell P. Totten & Co. In 1949 he moved to the Lloyd's underwriting staff of D. K. MacDonald, where he remained until 1953, when he joined Universal Underwriters. He joined Reinsurance Underwriters in San Francisco in 1954 and was with them until the transfer of their Lloyd's department to Cravens, Dargan & Co.

Lyle W. Allen, who has been an associate in the Peoria insurance law firm of Heyl, Royster & Voelker, has become a member of the firm.

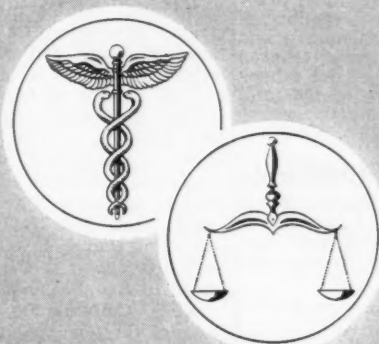
West Named Head of Towers, Perrin, Forster & Crosby

Walter H. West Jr. is the new president of Towers, Perrin, Forster & Crosby, Philadelphia actuaries, employee benefit plan consultants, and reinsurance brokers. Mr. West was vice-president in charge of the reinsurance division. He succeeds the late John A. Towers.

Vice-president J. H. Shreiner was

named treasurer, Keath P. Gibson became a vice-president, and William J. Hodge was named secretary. Raymond M. Woolard was named to succeed Mr. West as vice-president in the reinsurance division. Charles S. Manning, head of the Chicago office, was made a vice-president in the employee benefits division.

Houston Assn. of Mutual Insurance Agents has elected Dave Redman as president, Vernon Ray 1st vice-president, Ray Stevens, 2nd vice-president and Lavada Maas secretary-treasurer.



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consult) an
independent
insurance)
agent) or
broker) as
you would
your doctor
or lawyer

Defining
Our
Purpose...

SELECT: To take by preference from among others; to pick out.

CONSULT: To ask advice of; to refer to.

INDEPENDENT: Not dependent; not subject to control by others; self-governing.

INSURANCE: Act of insuring; a contract whereby one party undertakes to guarantee another against loss by a contingent event.

AGENT: One who acts for, or in place of, another by authority from him.

BROKER: One who brings parties together and assists in negotiating contracts between them.

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telling people to come
to you for your
advice about their
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YOUR Independent AGENT
"SERVES YOU FIRST"

Rocky Mountain AR Plans Amended to Increase Surcharge

R. G. Shurtleff, manager of Colorado, New Mexico and Wyoming auto assigned risk plans has sent bulletins to all subscribers announcing increases in surcharges under the plans, to be effective Feb. 15.

The amendments raise to 35% the surcharge to be made if the applicant or anyone who usually drives the motor vehicle has been involved in a motor vehicle accident, has been convicted of specified offenses, or has been required to furnish proof of financial responsibility during the 36 months immediately prior to application or to the effective date of renewal.

The amendments also raise to 25% the surcharge for all others who have been involved in a motor vehicle accident, have been convicted of specified offenses, or who have been convicted of any non-motor vehicle offense and sentenced to imprisonment

for five or more days or fined \$50 or more within the same 36 month period.

Mr. Shurtleff explained that the amendments were proposed by the national advisory committee and have been adopted because of the extremely bad loss ratio of assigned risks generally.

N. Y. Insurance Society School Adds Courses

The school of insurance of Insurance Society of New York has added three new courses to the spring curriculum. They are principles and practices of human relations, a seminar in corporate insurance management, and family and business finance. Offered in the evening division of the school, the new courses bring to 66 the total of studies available during the spring semester, opening Feb. 11.

Purcell Elected in California

Insurance Brokers Exchange of California has elected Lawrence J. Purcell president, Ben Breit vice-president and William A. Irvine, secretary-treasurer.

Standard Accident Opens Branch Office in Southern Cal.

Standard Accident and Planet have opened a southern California branch office at 3400 West Sixth street, Los Angeles, for development of a multiple line agency organization such as the companies now have in the rest of the country. The new branch replaces the companies' Los Angeles service office.

The companies have been writing a substantial volume through a general agency in southern California for more than 40 years and have become, in recent years, the second largest automobile insurer in the state.

The San Francisco branch, under the direction of Roy W. Smith, resident vice-president, will continue to supervise activities in northern California, southern Idaho, Arizona, Nevada, Utah, and Hawaii. Agents representing Planet in southern California will now report to the new branch instead of San Francisco.

E. S. Cunningham, formerly manager of the Los Angeles service office, has been made manager of the new branch. Freeman Reed will continue as manager of the claim department and will supervise all claims for the territory.

Vernon C. McDonald, assistant claim manager, will be in charge of servicing claims. Allen Fischer, formerly at Buffalo, has been made manager of casualty underwriting. L. H. Henschen has been made manager of property underwriting.

Mr. Cunningham joined Standard Accident in 1928 in the bonding department of the home office. After assignments in Chicago, the home office, and Detroit, he was transferred in 1946 to Los Angeles as assistant bonding manager of Standard and field representative for Planet. In 1947 he was made manager of the bonding department at Los Angeles. In 1952, Mr. Cunningham assumed the additional responsibility of supervising the activities of Planet in southern California.

Mr. Reed joined Standard in 1919 as an adjuster in New York. Since 1932 he has been in charge of claims in Los Angeles.

Mr. Fischer started with Standard in 1946 at Buffalo as a casualty underwriter. Mr. Henschen has had a varied experience in both the agency and company fields.

Insurer Investigation Sends Engine Dealer to Jail

LOS ANGELES—Emil John Riutta, president of Industrial & Marine Engines Inc., San Pedro, has been sentenced to prison for one to 15 years. He was convicted of conspiracy, grand theft, attempted grand theft and violations of California insurance code.

Charges were that the company would sell an engine to a customer and then report to the insurer that the engine had been stolen. Investigation by the insurer resulted in the indictment.

Jack Heath, secretary-treasurer of the company, also indicted, pleaded guilty and received probation.

Miller Joins Father at Detroit

The Miller-Snow agency of Detroit has become Miller & Miller Inc., with the addition to the firm of Jack R. Miller, whose father, Leo B. Miller has been running the agency since 1952.

Leo Miller took over the agency after having been for a number of years in the Michigan field for Pacific of New York group. Jack Miller is a grad-

uate of Illinois Tech in fire prevention engineering and was for three years with Michigan Inspection Bureau. More recently he has been a field man in Michigan. Cindy Ciavarella is secretary of the Miller & Miller agency.

Announcement of the change of name and the addition of Jack Miller was made to the insurance business and clients of the agency in an attractive brochure.

Tri-State of Tulsa Names Card to Agency Post

Robert H. Card has been named assistant agency supervisor by Tri-State of Tulsa with offices in Oklahoma City. Mr. Card has been a field man for Travelers and later a local agent in Oklahoma City.

New Cal. Insurer Licensed

Members Ins. Co. of Oakland has been licensed by the California department to write liability and automobile insurance in California. The figures filed with the department show \$324,375 capital and \$486,562 surplus. It is reported the company will limit its writings to members of credit unions.

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■ Is there a "tough nut" to crack on your prospect list? Or, perhaps, some technical advice is needed to build an existing account into something bigger.

Your L & L field man is ready with double-barreled help — sales ideas for new business, and technical counsel to help you provide more protection for clients you now have.

You'll find it well worth while to get acquainted with the L & L field man when he calls.

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✓ "Shelby" agents have no trouble holding Workmen's Compensation business on risks that deserve the advantage of mutual rates. A steadily maintained dividend scale is but one of the advantages of using "Shelby" facilities for the writing of Workmen's Compensation. Experienced underwriting and safety engineering join in helping protect that dividend for your clients.

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NON-ASSESSABLE
FIRE & CASUALTY

Analyzes Today's Trends and Problems, Notably in Price, Cover and Selling

By KENNETH O. FORCE

The results of a series of interviews with top executives of leading fire and casualty companies have been published in a research monograph, "Trends and Problems in the Distribution of Property-Liability Insurance," by John S. Bickley, professor of insurance at Ohio State university.

Mr. Bickley undertook his inquiry, which was quite extensive, because of the many basic changes occurring in the distribution of property-liability insurance. He paid particular attention to new marketing techniques, and the principal purpose of the study is to assess the relative strengths and weaknesses of the methods of insurance distribution and operation.

He concludes by presenting several recommendations on how an insurance company can compete more effectively in today's market. These conclusions were drawn from an analysis of views expressed by company officials. The officials whom he interviewed are presented in an appendix, though not all of them are quoted directly in the text.

The monograph, of 71 plus pages, is packed with information. The material is well organized and well written, and reflects Mr. Bickley's abilities as a good reporter. His subject matter is as current as the current issue of an insurance news magazine, and his selection of topics resembles a montage of topics featured on programs of insurance gatherings of the last couple of years.

Among the subjects are changing methods of distribution, recruiting agents for sales ability, development of new sales outlets, selective underwriting, installment payment plans, public relations and advertising, the agent's position in the marketing organizations with sole company representation contrasted with multiple company representation, creation of adequate capacity, concentration vs spread of business, advantages and problems of specializing by companies, the continuous contract, electronics, etc.

Not all insurance men will agree with all that Mr. Bickley writes, but it is hard to imagine that any insurance man could read the book without being stimulated and taking away a number of ideas and suggestions.

One fundamental question in distribution is whether the traditional agency companies will be able to adjust their methods to meet the competition of specialty and direct writing companies, Mr. Bickley writes. He sees no reason why the two types of companies cannot exist side by side if the necessary adjustments are made—those adjustments being for agency insurers to modify their distribution

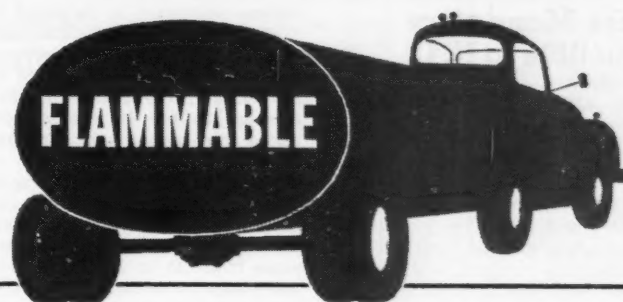
in order to compete on a price basis; if they do this the direct writers will be compelled to develop new ways to maintain their competitive position, which appears to mean better service with some increase in costs.

Mr. Bickley thinks, on the basis of the evidence that he turned up, that personal lines will have to be distributed largely in packages, possibly with monthly payments, continuous forms, and contract issuance, billing and collection by home or branch offices. Competition will be such that commissions will decline to the point where the local agent will have to turn increasingly to commercial risks in order to survive. If he continues in the personal field, he will have to do so on the basis of aggressive selling.

Package contracts for a wide variety of small businesses can be developed which might be marketed by representatives of specialty and direct writing companies, Mr. Bickley comments. These packages can be designed for ready adaptation to the needs of individual businesses.

However, other factors tend to refute any implication that the local agent will pass from the personal insurance picture. Not all specialty or direct writing companies have shown an ability to provide the quality of service demanded by many insured. Even package policies sales require adaptation to the needs of the buyer. Continuing service is mandatory if accounts are to be kept active. A com-

(CONTINUED ON PAGE 33)



Insurance problems arising on Butane, Propane and Gasoline haulers are easy to get around when you use Illinois R. B. Jones facilities. We provide fast service and broad markets for both *primary* and *excess* coverages on these trucks—no matter how many tractors and trailers are involved.

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Okays Mandatory Deductible in N. C.

Commissioner Gold of North Carolina has approved a mandatory \$50 deductible for extended coverage, long sought by N.C. Fire Insurance Rating Bureau. The deductible was effective Jan. 1.

Mr. Gold, who turned down both a mandatory and an optional deductible last year, said he had concluded the deductible was justified and that the mandatory form would be more equitable than the optional deductible the

bureau suggested in its latest filing.

He also approved rate and form changes asked by the bureau which increase rates 11.9 percent, or \$788,000 in annual premiums, with the major increase in the 18 seacoast counties, add a third rating zone, and authorize separate antenna cover.

In the coastal zone, dwelling EC rates were raised from 14 to 20 cents. In the central zone, dwelling rates go up from eight cents to 11 cents and barn rates from 23 to 32 cents. There was no change in rates in the new western zone. The antenna cover was fixed at

\$5 for coastal, \$4 for central and \$3 for the western zone. The bureau had proposed \$7.50, \$5 and \$4 respectively but agreed to the change.

From the evidence, it is apparent that the removal of a deductible by paying an additional premium cannot be set up in a formula that is equitable to all insured, Mr. Gold said. Also, an optional deductible could be confusing to the public and bring about misunderstandings between insured, agents and insurers. A mandatory deductible is more in the interest of the public, he said.

Ask Changes in Minn. Insurance Tax Laws

Important changes in Minnesota insurance tax laws, as recommended in the report of the governor's tax study committee, include a suggestion that the gross premium tax base be broadened to include types of organizations now exempt if their operations are conducted on a regular commercial basis.

The report urges that present exemptions for non-commercial fraternal associations with relatively low maximum benefits and for small non-commercial town and farmer's mutual companies be continued.

Because of retaliatory provisions, the report recommends no increase in the 2% premium tax now collected, indicating that such an increase would weaken the competitive position of Minnesota companies.

The report also suggests that taxation of annuity considerations be continued permanently.

Sea Safety to Feature Boat Show Display

A display of boating rules-of-the-sea is a feature of the exhibit of Aetna Casualty and Standard Fire at the national motor boat show in New York Jan. 19-27.

Model boats illustrate the courses that should be taken to avoid collisions at sea. In another display, nighttime signal lights flash alternately with waving flags, their day-time counterpart, showing the distress and storm signals used for hurricanes, storms and small craft warnings.

Ten safety steps to be observed before taking fuel on board and during and after re-fueling operations are also outlined.

Dominating the 20-foot exhibit is a seven by four foot color photograph of pleasure-yachting at Travers Island, N. Y.

The exhibit is designed to heighten interest in safety while pleasure-boating and the insurance protection available to boat owners.

Payton Opens Southern Indiana Adjusting Office

MITCHELL, IND.—George L. Payton, who has been branch claims manager for the Vernon companies for three years, has opened Payton Adjustment at 705 West Warren Street here. The office will handle all lines within a 60 mile radius of Mitchell. Prior to joining the Vernon organization in 1954, Mr. Payton was with Horton Adjustment of Louisville, his last position there being branch office manager.

Insurance Lawyers To Meet Jan. 24 in N. Y.

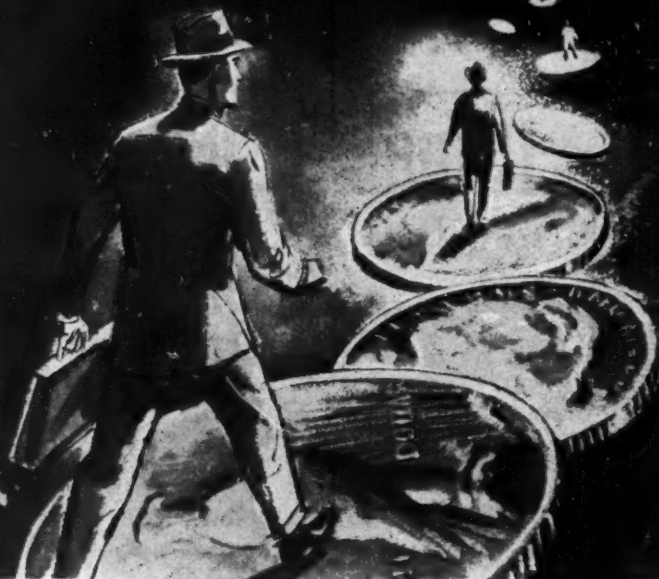
The story in last week's issue on the annual meeting in New York City of the insurance section of New York State Bar assn. inadvertently omitted the date. It is Jan. 24, at the Baltimore and will feature a panel on atomic energy insurance and legal problems.

Crothers Elected

Kenneth T. Crothers, Hylant-MacLean Inc., has been elected president of Northwest Ohio chapter of CPCU to succeed Robert Falconer of Picton-Cavanaugh Inc.

Also elected were: Elizabeth B. Cramer, Picton-Cavanaugh, vice-president; Edward J. Andelman, Fine agency, secretary; and William A. Johnson, Brooks agency, treasurer. Chosen as directors were: Kenneth H. Croll, Gulf Ins. Co., W. Howard Pearce, Pearce agency, and Frank L. Oakes, Picton-Cavanaugh.

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Our agents are satisfied agents because in our 70 years of service to personal insurance underwriters, our commitments have always been rigidly adhered to...our relationships personal and friendly.

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No Branch Office to compete with you.

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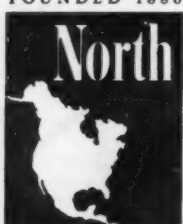
Extra Incentives to supplement your production achievements.

If you are interested in making money—not just today, but years from now—write

S. Robert Rauwolf, Vice President

* . . . the familiar abbreviation for the North American Accident Insurance Company of Chicago—one of America's oldest and strongest stock companies.

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Small Truck and Car Thefts Named Source of Rising Cargo Losses

The neighborhood delivery truck and the salesman's sample-loaded car have become prime targets of the nation's cargo thieves. The result is a genuine source of concern in the insurance loss picture, President Jack Seide of Babaco Alarm Systems told Philadelphia Mariners Club.

The big highway trucks and trailers are as prone as ever to cargo thefts and hijackings, he said, but thieves have now discovered that local pick-up trucks, trucks servicing neighborhood stores, and making home deliveries, offer rich pickings as well.

The reason is simple, he said. The smaller trucks carry easily disposed of goods, like food, clothing, tobacco, liquor and cameras. The same is true of the salesman's car loaded with jewelry, fur, clothing, novelty, and other merchandise samples. All are extremely inviting to the pilferer and thief, who sometimes doesn't show much of a sense of discrimination, he said, recounting a report of a theft of 730 cartons of deadly drugs from a trailer parked outside a freight office overnight.

He said recently released figures indicate insurance losses are reaching dangerous heights. Top insurance management is deeply concerned with these losses, and underwriters are being urged to pay closer attention all along the line, particularly as far as thefts are concerned as that hazard is ever increasing. The FBI has reported that goods removed from cars and truck comprise a large share of the loot taken during what it called the worst crime wave in history.

Mr. Seide said that agents are likewise being encouraged to help reduce losses, not only to hold down loss ratios, but also because they can gain an incalculable amount of good will from their assureds by such activity. He said that he has noted a tendency to consider more favorable property rates for insuring vehicles protected by alarms, and as an example, cited the commercial property application adopted last October.

Advocating the use of an insurance-approved vehicle alarm system, Mr. Seide offered it as the only sensible and effective weapon against vehicle burglary. He said that in today's competitive market an insured cannot afford to be without merchandise to sell. Insurance may compensate monetary loss, but it is only part of the answer to the problem. The insured wants safe delivery. While insurance is most important, he concluded, customers cannot drink, smoke or wear insurance claim checks.

Insurer Officer Can't Be Agent in N. C.

Using a 1955 statute for the first time, Commissioner Gold has cancelled the non-resident broker's license issued in February of this year to Rutherford L. Ellis of Atlanta.

Mr. Gold explained that his department has just learned that Mr. Ellis is president of Southern General of Atlanta. The 1955 act, written into law at the request of the department, prohibits an officer of a company from being licensed as a non-resident broker.

Injury Rates Set Record Low

The third quarter 1956 injury-frequency rate for manufacturing was the lowest third-quarter rate ever re-

corded—12.3 injuries per million employee-hours worked—according to preliminary reports compiled by Labor Department's Bureau of Labor Statistics. This rate was 6% below the 1955 third quarter figure of 13.1 and was fractionally below the previous all-time low of 12.4 established for this quarter in 1954.

Charleston, S.C., insurance board has elected Samuel E. Hanvey president to succeed James H. Holcomb. Others named were Edwin C. Owens, vice-president, and Edward R. Ball, secretary.

Packard Heads Md. Casualty B&M Unit as Ward Retires

Stanley M. Ward Jr., the oldest active employee of Maryland Casualty in years of service, is retiring after 54 years with the company. He will be succeeded as manager of the boiler and machinery department, a post he has held since 1923, by Joseph E. Packard.

Mr. Packard joined Maryland Casualty at Philadelphia. After a number

of years as special agent, he was re-assigned to the boiler and machinery department there and in 1947 he transferred to the home office as an underwriter. He was appointed assistant manager of the B&M division in 1951.

General Adjustment Bureau has named J. C. Hill resident adjuster of a new office established at Fort Pierce, Fla., as an extension of the West Palm Beach operation. Mr. Hill, formerly at Lakeland, Fla., started with GAB at Mobile in 1951.

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Younger Is Interim Ohio Superintendent

R. E. Younger is the new Ohio superintendent of insurance, probably pending an appointment by Gov.-elect O'Neill. Mr. Younger, formerly deputy, was appointed by Gov. Lausche just before his resignation to take office as a U. S. Senator. He succeeds August Pryatel, whom Gov. Lausche recently appointed to the Cleveland municipal bench. Mr. Younger may be in office for some time, though it appears certain a Republican will get

the post eventually. It is understood Mr. O'Neill wants to hold off on appointments until the legislature deals with an emergency measure to increase salaries. The present salary of the insurance superintendent is \$10,000.

Thornton in New Fla. Post

Southeastern General Agency of Coral Gables, Fla., has appointed Henry J. Thornton vice-president in charge of northern and central Florida. Mr. Thornton has been special agent with American.

Cal. Legislators Consider Changes in State Insurance

A proposal to exclude agent members of the legislature from participating in insurance purchased by the state, including a companion proposal to buy such insurance through brokers or agents instead of the former plan of buying directly from companies with resultant commissions being distributed to a so-called favored list (including members of the legislature) were

made at the final hearing conducted by Assemblyman Munnell into California's method of distributing such commissions on the state's automobile fleet insurance and a limited number of surety bonds.

The proposals were suggested by Finance Director John M. Pierce, who said: "It is my intention to discontinue use of legislator insurance brokers because of the possibility of misunderstanding and of favoritism, which does not exist. In the case of other brokers (those who have not been marked in for commissions in return for little or no work) it is my intention henceforth to place insurance through brokers exclusively and discontinue direct contacts with the insurance companies."

However, this did not remove the threat of the state becoming a self-insurer—with the additional threat of a state fund taking over the present major insurance purchases covering the San Francisco harbor, the San Francisco-Bay Bridge and other properties where the insurance has been handled by the immediate authorities in charge through brokers of their own selection.

In closing its hearing Jan. 4, the special subcommittee of the assembly interim committee on finance and insurance, headed by Mr. Munnell, recommended legislation to prevent any state employee—official, legislator or any other—from accepting a commission on state insurance business. This legislation would include setting up an insurance commission attached to the finance department and directed by an insurance administrator who would be a deputy director of finance.

Another provision of this proposed legislation would prohibit placing any insurance until the entire market has been canvassed for competitive bidding. Duties of the insurance administrator would be to establish operating policies, determine insurance needs, evaluate coverages and place the business on an open basis.

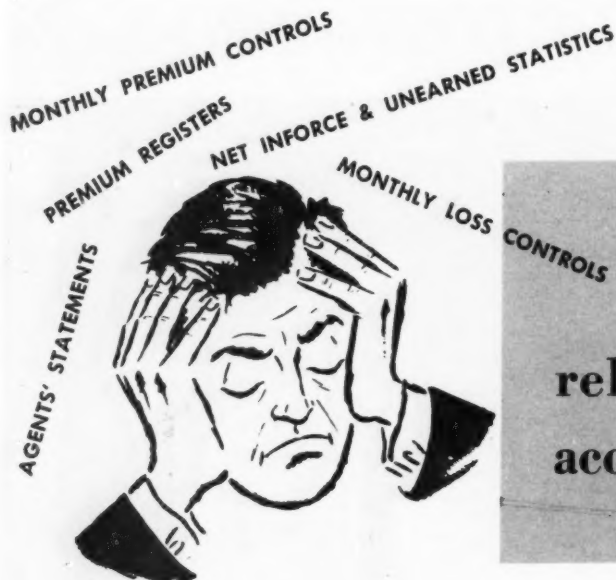
He would also coordinate functions of all state officers who have statutory duties involving insurance, submit reports to the finance director and legislature, make periodic surveys and actuarial analyses of needs, and continue a study of possible financial savings through state self-insurance. (The state board of harbor commissioners and the California Bridge Authority, for example, buy their own insurance through agents and brokers they select on the basis of services available and rendered.)

At the hearing also, the committee considered a lengthy letter from James P. Bennett, president of California Assn. of Insurance Agents, which was in some respects similar in tone to that presented by Society of Insurance Brokers of San Francisco, reciting and emphasizing the value of the independent agent and broker, while disapproving the system which has prevailed for several past state administrations on automobile insurance.

One item of note, in view of the investigation and publicity and political overtones, is that losses paid by the companies carrying the auto and bond lines involved in the dispute have during the past year far exceeded the premiums.

Alberico to Underwriting Post

Imperial Casualty & Indemnity has appointed Julius Alberico underwriting manager. Mr. Alberico has been manager of the automobile department of Geo. F. Brown & Sons of Chicago, and before that was for several years with American Auto and Hartford Accident.



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Get Only 4-Bit Hike on Mass. Compulsory Till State Court Acts

Justice Spaulding of the Massachusetts supreme court has denied the petition of automobile insurers to charge a 22% rate increase on compulsory liability for private passenger cars in 1957, pending outcome of their suit challenging the denial of Commissioner Humphrey of the rate increase they asked. They had asked the state supreme court for permission to charge the increase and hold the amount of increase until the dispute is resolved. Commissioner Humphrey has allowed a 50 cent per car increase to make up for the discarded demerit surcharges.

The companies have asked for the 22% increase on compulsory and on two coverages which are figured as a percentage of the basic liability premium—excess BI limits and medical payments.

In the meantime, Massachusetts Automobile Rating & Accident Prevention Bureau has notified the companies that since the rates will be provisional, the insurers should stamp receipts for premiums with a notice that they are subject to adjustment. Casualty Insurance Companies Serving Massachusetts is preparing a notice to be sent policyholders to explain the situation to them. An endorsement prepared by the rating bureau informs policyholders that if the higher premiums are allowed, insured will pay the excess to the company.

M. R. Strong Joins National in Southwest Hail Post

M. R. Strong has been appointed crop-hail supervisor for the southwest by National of Hartford group.

Mr. Strong taught in southwestern Oklahoma and did some hail adjusting work until 1947 when he went into crop-hail insurance on a full time basis as a stock company representative in the Texas-Oklahoma-New Mexico field. Since 1952 he has been in an executive position in Chicago with Great American.

National's countrywide hail operations are under the supervision of A. Harboway in the western department office at Chicago.

Mr. Strong will have headquarters in National's Amarillo office at 609 Barfield building.

General Fire & Casualty Makes 3 Changes in N. J.

L. Loyd Kotch, assistant secretary of General Fire & Casualty, will devote his entire time to production, due to expansion of the company's Newark, N. J., branch office.

Gilbert E. Mann, formerly underwriting manager, has been named branch manager, and William H. Jenkins Jr. has been appointed claim manager.

Hughes Named Director

Thomas D. Hughes, vice-president of Continental, has been named a director of New York Board to fill the vacancy created by the resignation of P. W. Barnes of Fire Association, who has retired.

Monroe County (N.Y.) Agents Elect

Insurance Agents Assn. of Monroe County (N.Y.) elected Edwin V. Foster president, Lester Leonard vice-president and Theodore R. Tuke treasurer at the annual election in Rochester.

New directors are Arthur J. Bamann Jr., Harry Budlong Jr., Donald R. Consler Jr., Joseph E. Hasselwander, James T. Henderson, John H. Holahan, Robert F. Paviour, Donald W. Saunders, Mr. Tuke, Leo J. Vennette and Hartley G. White. All members are from Rochester and vicinity.

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Convention Dates

- Feb. 4, Insurance Economics Society of America, midyear, Drake hotel, Chicago.
- Feb. 20-22, Michigan Assn. of Insurance Agents, midyear, Statler hotel, Detroit.
- Mar. 1-2, Tri-State Mutual Agents Assn., annual, Penn Harris hotel, Harrisburg, Pa.
- Mar. 4-5, New Jersey Assn. of Insurance Agents, midyear, Berkeley-Cartaret hotel, Asbury Park.
- Mar. 6-7, Fire Underwriters Assn. of the Pacific, annual, Sheraton-Palace hotel, San Francisco.
- Mar. 7-9, National Assn. of Surety Bond Producers, annual, Mayflower hotel, Washington, D. C.
- Mar. 10-14, National Assn. of Mutual Insurance Agents, midyear, Jung hotel, New Orleans.
- Mar. 17-19, Eastern Agents Conference of NAIA, Statler hotel, Washington, D. C.
- Mar. 20, American Marine Hull Insurance Syndicate, annual, Board room, 99 John street, New York City.
- March 24-27, Southern Agents Conference, Jung hotel, New Orleans.
- March 24-26, Midwest Agents Conference of NAIA, French Lick-Sheraton hotel, French Lick Springs, Ind.
- Mar. 25, Rhode Island Assn. of Insurance Agents, mid-year, Sheraton-Biltmore hotel, Providence.
- April 4-5, National Assn. of Casualty & Surety Agents, directors semi-annual, Ambassador hotel, Chicago.
- April 7-9, Mutual Agents Assn. of New York, annual, Syracuse hotel, Syracuse.
- April 11-12, Ohio Assn. of Mutual Insurance Agents, annual, Neil House hotel, Columbus.
- April 15-17, Iowa Assn. of Insurance Agents, annual, Savary hotel, Des Moines.
- April 28-May 1, Chamber of Commerce, insurance department, annual, Washington, D. C.
- April 28-May 1, Colorado Insurers Assn., annual, Cosmopolitan hotel, Denver.
- April 28-May 1, Rocky Mountain Territorial Conference of NAIA, annual, Cosmopolitan hotel, Denver.
- May 1-5, National Assn. of Public Insurance Adjusters, annual, Saxony hotel, Miami Beach.
- May 2, Midwestern Independent Statistical Service, annual, La Salle hotel, Chicago.
- May 2-4, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.
- May 2-4, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.
- May 5-7, Alabama Assn. of Insurance Agents, annual, Battlehouse, Mobile.
- May 5-7, New York State Assn. of Insurance Agents, annual, Syracuse hotel, Syracuse.
- May 6-8, National Assn. of Independent Insurance Adjusters, annual, El Mirador hotel, Palm Springs, Cal.
- May 7, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria hotel, New York City.
- May 9, Surety Assn. of America, annual, Sheraton-Astor hotel, New York City.
- May 10-11, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.
- May 16-17, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.
- May 17-18, Texas Assn. of Insurance Agents, annual, Statler-Hilton hotel, Dallas.
- May 20, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.
- May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.
- May 20-24, National Fire Protection Assn., annual, Statler hotel, Los Angeles.
- May 21, Society of Fire Protection Engineers, annual, Statler hotel, Los Angeles.
- May 22, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York City.
- May 23, National Board of Fire Underwriters, annual, Commodore hotel, New York City.
- May 23-24, Casualty Actuarial Society, spring meeting, French Lick-Sheraton hotel, French Lick, Ind.
- May 26-29, American Assn. of Managing General Agents, annual, Fontainebleau hotel, Miami Beach.
- May 26-30, Insurance Division of Special Libraries Assn., Statler hotel, Boston.
- May 27-29, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.
- May 27-29, Federation of Mutual Fire Insurance Companies, annual, Edgewater Beach hotel, Chicago.
- May 27-29, National Assn. of Automotive Mutual Insurance Companies, annual, Edgewater Beach hotel, Chicago.
- May 27-29, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.
- June 2-4, Eastern Underwriters Assn., mid-year, Shelburne hotel, Atlantic City.
- June 10-12, South-Eastern Underwriters Assn., annual, Homestead hotel, Hot Springs, Va.
- June 12-16, International Assn. of A&H Underwriters, annual, Lowery hotel, St. Paul, Minn.



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COMMENTS - TRENDS - OBSERVATIONS

Cal. Legislative Committee Told Whys and Wherefores of Agent and His Commission

Fortright statements on the value of an independent agent or broker and the reasons for his commissions were offered a California legislative committee investigating commissions on the state automobile insurance in a letter sent last week to the committee chairman by President James P. Bennett of California Assn. of Insurance Agents.

California newspapers have made quite a political issue out of charges that "favored" agents and brokers have been getting "gravy" commissions on state auto and surety business, and legislative hearings on this subject were concluded last week. Mr. Bennett's letter, which is quoted in large part herewith, was made a part of the record. He describes the services an agent or broker renders in justification of his commission income in a manner designed to be helpful to politicians not well informed on this score:

The California Assn. of Insurance Agents has followed with great interest and concern the various newspaper reports with respect to the procedures followed by the state of California in securing insurance protection for its various exposures. While certain practices in connection with the state's insurance program seemingly may have been less than ideal, this association believes little useful purpose would be served in merely criticizing what has been done in the past, apparently for many years. Rather, our association agrees that the time is propitious for a reevaluation of the state's insurance practices and for the development of constructive suggestions concerning those practices.

With that basic objective in mind, our association observed with keen interest the hearings conducted by the sub-committee on the assembly interim committee on finance and insurance on Dec. 17 in Sacramento. At that meeting, and in the press reports about the state's insurance program generally, a number of misconceptions about the insurance industry have been voiced. Therefore, before proceeding to offer what we believe to be constructive suggestions for improvements in the state's insurance buying procedures, we would like to review briefly certain basic characteristics of the insurance industry so the subcommittee, which you head, will have an accurate frame of reference for the conduct of its investigation.

There has been considerable conjecture about just what services licensed insurance producers have rendered for the commissions they have received on the state's insurance business. We were very pleased to have the record show, as it does, that in many cases the state has received exceptionally competent service from the insurance agents and brokers who have partici-

pated in handling the state's business. On the other hand, it has been apparent that some producers receiving commissions on portions of this business have not performed, or (and we believe this to be important) have not been called upon to perform specific services with respect to the policies on which they were paid commissions.

As the committee is well aware, insurance agents and brokers "transact" insurance and act as intermediaries between the public and the insurance companies. Section 35 of the California insurance code provides that "transact", as applied to insurance, includes any of the following: (a) Solicitation; (b) negotiations preliminary to execution; (c) execution of a contract of insurance; and (d) transaction of matters subsequent to execution of the contract and arising out of it.

Commissions on an insurance policy paid to a licensed insurance agent or broker are not limited, in the services contemplated thereby, to services of the nature of (a), (b) and (c), but also, contemplate service, or the availability and readiness to perform services, of the nature of (d), and are not fully earned until the policy has expired.

In this respect, the commission is also in the nature of a retainer, similar to the retainer paid to a lawyer. As agent or broker of record, the producer holds himself in readiness to perform services when called upon subsequent to execution of the policy—for example, whenever some circumstance such as a change in exposures requires alterations in coverage, or particularly when a claim arises. While an agent or broker may not "adjust" claims in the technical sense, his functions include participation in the adjustment of claims, toward the end that the contract provisions are fulfilled and the rights of the policyholder are fully protected. That he might not be called upon to render

such services in respect to a given policy does not necessarily mean that he did not earn the commission.

While the commission paid to an insurance producer on a specific policy contemplates the performance of, or availability to perform, services in respect to that policy, as a practical matter there can be no scientifically accurate measure of the relationship of

the commission on a specific policy to the services on that policy. In some cases, the services performed may be slight, while in many cases the services are so extensive that the commission does not adequately cover the cost thereof to the producer. Insurance is a business of averages, and the margin of profit arising out of the com-

(CONTINUED ON PAGE 34)

Rules for Avoiding Credit Work, Worry

In an article on agency solvency in the November Insur-Agent, publication of Florida Assn. of Insurance Agents, Joe A. Burnett Jr., special agent of the Hurt & Quin general agency, makes several suggestions. They are, in substance:

If you want to increase the financial stability of your agency, I suggest you consider adopting the 80/20 banking plan. This calls for two separate bank accounts. In one, deposit 80% of all collected premiums. In the other, deposit the remaining 20%—figuring 20% as an average commission. Pay only company balances from the 80% account and pay all agency expenses, including the boss's salary, from the 20% account.

This has a good psychological effect on the agent because immediately he gets the impression that he is not so wealthy. That 20% account looks mighty small by comparison. Remember, all the agent ever owns is the commission, and that is not his until the policy has expired.

Most agency agreements allow the agent 60 days after the end of the month in which the business was written to pay his balance. This agreement is a legal contract, and the agent has agreed to those terms. Many agents have an erroneous impression that they have 90 days in which to pay company balances. Consult your agency agreement and see what it says.

For example, July balances are due Oct. 1. If you paid after Oct. 10, you paid late. Balances paid after Oct. 20 are considered seriously delinquent and most companies would begin an

investigation.

Most agencies would probably say they are not running an insurance debit. But suppose the agent recently has sold a policy for \$60 and arranged terms of \$15 per month for four months. In cases such as this, the first two payments usually come in, and then you must get out and start collecting. The difficulty with this procedure is that it has become the rule rather than the exception. Then the agent must spend so much time going from place to place that he has no time to solicit good accounts. A recent survey showed that many agents were collecting at least 25% of their total premiums in this manner. If you are in this position, then you, too, are running an insurance debit.

If you establish your worth per hour you will realize how much money it is costing you to extend credit, collectible on an installment basis. You must remember that time is part of your stock in trade and whenever you waste time you waste money. Multiply the number of hours you spent last week collecting payments of less than \$15, by your net worth per hour. Then see if it was worth the commissions involved. This may show you just how much it is costing you to extend credit.

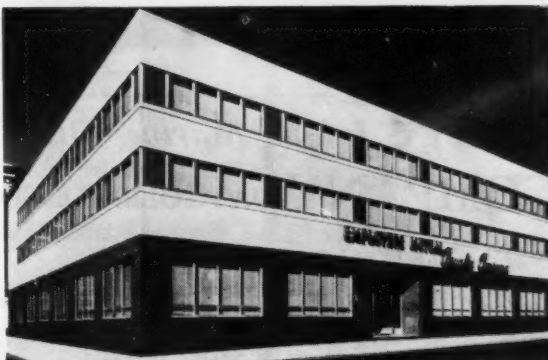
At no time should accounts receivable exceed company balances by more than 60 days. This means you should not have more than 16 2/3% of your total premium volume in receivables. If you have more than this, you are in financial crisis and should seek assistance.

One of the most difficult things to get across to an agent is that he should send cancellation notice if he does not get paid. Most agents are reluctant to send notice and will usually extend credit until it is too late, and they get stuck with a part of the premium themselves. Do not be afraid to set a deadline for the payment of premium. Show insured that you mean business. Collection is largely a matter of educating insured to the fact that you must have the money or else. If your customer knows that you mean business, he will come in and pay, or he will go elsewhere. Either way you are better off.

You might try credit rating each of your accounts by making a simple notation on his file, such as A, B, or C. Consult this each year before renewal. This will eliminate extending credit to the same slow-pay account year after year, as many agents do.

Completion of the new home office of Employers Mutual Casualty of Des Moines was announced in December when the company held two pre-Christmas open house events—one a preview showing for business executives, the other for the general public.

Construction of the home office involved rebuilding its former headquarters and integrating it with a completely new building to create a single structure occupying a quarter of a square block. The \$1,100,000 structure has three stories, basement, and penthouse, with a total floor space area of 71,552 square feet. It houses 275 home office employees.



Expect Canadian Auto Rates to Go Up 7% in 1957

Automobile rates in Canada are expected to be increased an average of 7% in 1957, according to the December issue of *Canadian Insurance* magazine.

The magazine reports that All Canada Insurance Federation surveyed 200 automobile writers in Canada and found that the increase in number and cost of accidents will necessitate rate adjustments, but there are many companies planning to give further recognition to accident-free drivers. *Canadian Insurance* says that in 1957 the driver who has completed three years without an insurance claim will be eligible for a discount of 30% off manual rate instead of the 25% offered in 1956 and 20% in 1955. The driver with two years without claims will be eligible for a 20% discount off the new rates instead of 15% as in 1956, and a new discount of 10% will be given those who have gone 12 months accident-free.

Canada is divided into 95 rating areas, and the 7% increase which has been forecasted is a country-wide average, *Canadian Insurance* points out, so the variation in cost to individual motorists will be considerable

and will be further effected by the discount plan. For example, a motorist in an area in which there is no change in regular rates might increase his accident-free record from two to three years and his discount would go from the old 15% of 1956 to the new 30% of 1957.

Most of the rate changes will be in BI and PD.

Four V-Ps Elected by National Surety

Thomas E. Sims Jr., Woodward Melone, Fred J. Butcher and N. P. Gardner Jr. have been elected vice-presidents of National Surety of the Fireman's Fund group.

Mr. Sims is resident vice-president in charge of the southern department of Fireman's Fund in Atlanta; Mr. Melone is resident vice-president in charge of the Pacific department with headquarters in San Francisco; Mr. Butcher is assistant vice-president of Fireman's Fund Indemnity in charge of underwriting in the central bonding office at San Francisco, and Mr. Gardner is in charge of production activities in the central bonding office.

San Diego Adjusters Elect

San Diego Insurance Adjusters Assn. has elected Bruce D. Starkey, Hartford

Accident, president; Charles Kerr, Travelers Indemnity, vice-president, and Walter Low, North America, secretary-treasurer. V. L. Anderson, Northwestern Mutual; James Spore, Travelers; Albert Leiser, Lee & Leiser and Clifford E. Bruce, independent adjuster, were named to the board.

Merback Named V-P of Texas Casualty Group

A. A. Merback has been elected agency vice-president of Texas Casualty and Western Alliance of Austin, succeeding G. A. W. Kenney, who is no longer with the companies.

Mr. Merback has been San Antonio manager for the Texas Casualty group for four years, and previously was a state agent in Texas.

N.W. Ohio CPCUs Elect

Northwestern Ohio chapter of CPCU has elected Kenneth T. Crothers president to succeed Robert Falconer. Other officers are Elizabeth B. Cramer, vice-president; Edward J. Andelman, secretary; William A. Johnson, treasurer; and Kenneth H. Croll, W. Howard Pearce and Frank L. Oakes, directors.

West Bend Mutual Fire has opened an office at Bloomington, Ill., with Sydney L. Mert as special agent in charge. The office will service central Illinois.

Expect New Mich. Insurance Code to Face Amendment Barrage

LANSING—With the Michigan legislature launching its regular session this week, insurance men are discussing the prospects for amending the newly effective recodification of the state's insurance laws.

The 1956 legislature enacted the new code, a simplified and better organized version, containing all of the same statutes but reassembled to make them more accessible and with repetitious and conflicting provisions removed.

Commissioner Navarre and John Panchuk, Fidelity Life & Casualty, chairman of the industry advisory committee, have scheduled a meeting of the group for Jan. 14 to discuss the need for some modernizing amendments which had been deferred during the job of recodification.

It is anticipated that a considerable volume of new legislation affecting the industry will be proposed outside of the advisory group and a push is already on in some quarters to place a compulsory automobile insurance law on the statute books.

Michigan Assn. of Insurance Agents will obtain reintroduction of a bill which would prohibit the licensing in Michigan of any government-owned or financially controlled insurer. This measure was offered in 1956 but was not pressed because of the possibility that it might jeopardize the recodification and because of the difficulties inherent in attaching amendments during a recodification process.

Similarly, Michigan Life Underwriters Assn. is expected to reintroduce a bill which would reduce the requirements for a life group from 25 to 10 or more lives.

Pa. Governor Backs Passage of Compulsory

Gov. Leader of Pennsylvania told the opening session of the legislature that his administration will press for enactment of a compulsory auto law "to make sure every car on the road and every driver on the highway is financially responsible for the damage he may inflict on others."

Gov. Leader is a Democrat and the legislature is Republican. Compulsory was recommended recently by the Governor's committee studying the problem of uninsured motorists.

Pennsylvania Assn. of Insurance Agents has indicated it will fight any attempts to enact compulsory.

Adjuster Combines Bill and Report in One Form

A new, concise adjuster's certification form has been evolved by Ralph A. Work, independent adjuster, 132 Nassau street, New York.

The form is a snap-out type permitting the make-up of both loss report and bill in one operation. Mr. Work has found the material cost of the form is 10% higher than that of a comparable non-snap-out form, but the labor production cost is approximately 40% lower. He said he expects the new form will come into greatest use during catastrophe periods, when the usual flow of prompt, efficient adjuster service is slowed by paper work.

Correct Lloyd's Affiliation

In reporting recently the appointment of Geoffrey Lloyd as an underwriter with Newhouse & Hawley of Chicago, it was stated Mr. Lloyd had been with Stewart, Smith Inc. This is incorrect, Mr. Lloyd having been with Stewart, Smith (Ill.) Inc.

Now CANCER

COVERAGE MAY BE ADDED TO
PEERLESS SPECIFIC DISEASE POLICY*

...in addition to coverage for Polio • Spinal Meningitis • Diphtheria • Scarlet Fever • Smallpox • Rabies • Typhus • Tetanus • and Trichinosis—9 of mankind's most expensive diseases. Plus Optional Cancer Coverage.

Small annual premium, including new Optional Cancer Rider, only \$10 Individual, \$15 Husband and Wife, \$20 Entire Family... for benefits not to exceed \$10,000 on the Specific Disease Policy and not to exceed \$2,000 under Optional

Cancer Rider—when treatment originates prior to insured's 60th birthday (not to exceed \$1,000 when treatment originates after age 60), covers payments for hospital, physician, licensed nurses, patient transportation and iron lung rental per individual. After waiting period (6 days, except for Cancer, 90 days), policy pays expenses from 1st day that disease manifests itself.

Write for full details today! Make this popular, modern policy your #1 business getter!

*Policy No. PAH 165-2-R, Available in States where filed and approved. Optional Cancer Rider PAH-791

PEERLESS
Insurance Company

KEENE, NEW HAMPSHIRE
A MULTIPLE LINE COMPANY

—Audits for Casualty & Inland Marine Carriers

K. L. PEARCE COMPANY PAYROLL AUDIT SERVICE

Payroll Audit Service—has the ability and get-up to get the job done adequately and promptly. 1956 Record—47,000 Audits. Better Service for your agencies and assureds.

HOME OFFICE—INSURANCE EXCHANGE Bldg., DES MOINES, IOWA. PHONES CH 3-8649—CH 3-8640

IOWA MINNESOTA DAKOTAS NEBRASKA MISSOURI ILLINOIS WISCONSIN
INDIANA MICHIGAN KANSAS OKLAHOMA COLORADO NEW MEXICO

National Emergency Adjusting Service Is Organized

Myco Adjusting Service has been formed by Loyal T. R. Snyder of Frank Allyn, Inc., independent adjusters of Seattle.

Myco Service, a non-profit corporation supported by registered independent adjusting organizations, is designed to provide nationwide emergency adjusting service for itinerant insured of companies licensed with Myco Service who are unable to contact a competent adjuster. To participate, a licensed insurer furnishes its insured with an identification card authorizing him to contact Myco Service throughout the United States, Canada and parts of Mexico.

Qualified insurers desiring to use the facility may obtain a license by writing Myco Adjusting Service, 914 Second avenue, Seattle 4.

American Title Honors Two on Retirement

Officers and directors of American Title & Insurance honored Ronald G. Eaton and J. Henry Talley on occasion of their retirement, with a testimonial dinner held in Miami.

Mr. Eaton, senior vice-president and secretary in charge of fire, has been with the company 15 years. Mr. Talley, who entered insurance in 1899, when he was 13, went to American Title as senior vice-president of the industrial fire department in 1946. He was deputy commissioner for Florida 1936-41. From 1941 until he joined American Title he was state manager of Florida Fire Insurance Service.

Mr. Eaton has been in insurance since 1905. He was Home state agent for Maryland, Delaware, and the District of Columbia 1914-16, special agent for Southeastern Underwriters Assn. from 1918 until 1924, and was in charge of Dixie Fire agency and field forces in Alabama, Georgia and Florida from 1924 until 1928. From then until 1942, when he went to American Title, he was Rhode Island Ins. Co. state agent and southern manager in Alabama, Louisiana, and Mississippi, and southern department manager for 11 southeastern states.

Northern Cal. Chapter of CPCU Elects Dreyer

Northern California Chapter of CPCU has elected Ralph H. Dreyer, United Pacific, president; Glen Stackhouse, vice-president; Roy Westran, secretary, and Claude Stanley, treasurer. William V. Hall, president of the national society, presented certificates of appreciation to past presidents Howard Martin, J. Allen Folger, Frank Orr, John Holland, Cecil O'Donnell and Alfred E. Lampe at a recent meeting.

Aetna Fire Names Rice Special Agent in Iowa

Aetna Fire has appointed James S. Rice special agent in Iowa, succeeding William G. McDonald, who has been transferred to Fresno, Cal.

Mr. Rice will be associated with state agent Arthur E. Holt at Des Moines. He has had experience as a field man and local agent.

Three California Bonds Awarded

California department of public works has awarded these contracts: Guy F. Atkinson Co., San Francisco, for construction of 2.6 miles of harbor freeway in Los Angeles county at a price of \$5,548,781.60. Fidelity & Deposit is surety.

Oberg Brothers Construction Co.,

Inglewood, for construction of 3.5 miles of Ventura freeway in Los Angeles county and 1.6 miles of San Diego freeway at a price of \$7,201,495.50. U.S.-F.&G. is surety.

Clifford C. Long, Arcadia, for construction of 9.2 miles of highway improvement at a price of \$1,894,428. General of Seattle is surety.

F. R. Brennan has been elected president of Jackson County (Ore.) Assn. of Insurance Agents to succeed R. J. House. Victor Sether was named vice-president and Frederick Gatter secretary-treasurer.

Insured Loss on Hartford Church Is \$2.8 Million

Destroyed by fire New Year's Eve, St. Joseph's Roman Catholic cathedral in Hartford, appraised at \$3,542,000 a year ago, was insured at the 80% co-insurance rate for \$2,800,000. The amount of actual loss has been estimated at more than \$5 million.

Aetna Casualty was the principal primary insurer, with \$2,030,000. Half

this amount was assigned to Agricultural. Both companies had reinsured large amounts. Separate policies of \$302,016 on the glass windows and \$43,788 on murals were carried. Travelers Fire, Hartford Fire, and Phoenix Fire also participated in the coverage.

Name Sehnert in Mo.

Marvin H. Sehnert has been appointed special agent at St. Louis by Aetna Fire. He has been field underwriter in St. Louis and will continue to be associated with Manager W. H. Crandall there.

"We Average 68 New Policies A Month With SAFECO!"



Mr. Buff Abell, Abell Beatty Agency, Insurance Realtors, Pueblo, Colorado with Walter J. Benning, Jr., Johns-Mansville representative, Pueblo

GET THE FACTS NOW!

SAFECO INSURANCE COMPANY OF AMERICA

General Insurance Building,
Room 301, Seattle 5, Washington

I am interested in getting the facts on SAFECO.

Agency Name.....

Street.....

City..... Zone..... State.....

Signature.....

"Before SAFECO came along we were a 'sleepy' agency. Sure, we were progressing gradually, but it was a pretty drab state of affairs.

"SAFECO has changed everything. We're alive—we're kicking—and we've gone into the high rent district. We now have as much volume in SAFECO, after less than three years, as we had in combined volume before SAFECO came into the picture.

"SAFECO brought a planned campaign for volume, consistent advertising, and quality insurance at a low cost. SAFECO's modern operation eliminated detail and let us spend our time making money.

"SAFECO gives the public the insurance they want at a cost they can afford!"



SAVE YOUR AUTO BUSINESS WITH

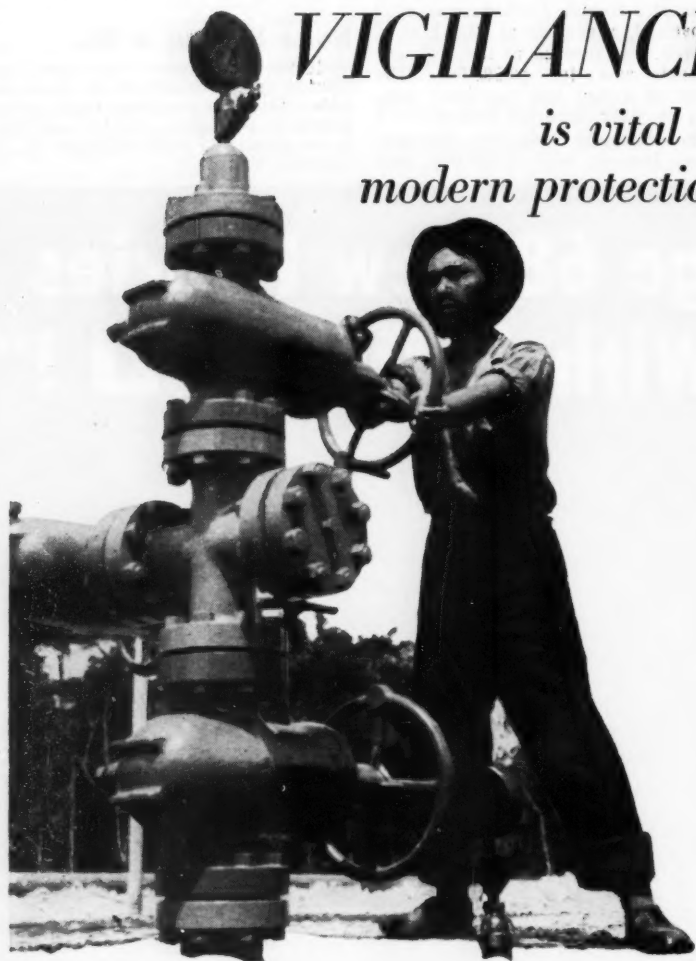
SAFECO

the modern auto insurance for safe drivers

HOME OFFICE: SEATTLE, WASHINGTON

VIGILANCE

*is vital to
modern protection!*



AFIA's more than 600 offices and agencies in 65 countries throughout the world keep AFIA headquarters well informed about changing laws and insurance regulations which may affect the protection of your clients' business overseas.

This constant vigilance by AFIA is your assurance of protection that meets foreign requirements — is always dependable.



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161 William Street • New York 38, New York

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DALLAS OFFICE Vaughn Building, 1710 Commerce Street, Dallas 1, Texas
LOS ANGELES OFFICE 3277 Wilshire Boulevard, Los Angeles 5, California
SAN FRANCISCO OFFICE . . Russ Building, 235 Montgomery Street, San Francisco 4, California
WASHINGTON OFFICE . . . Woodward Building, 733 15th Street N.W. Washington 5, D.C.

An association of 22 American capital stock fire, marine, casualty and surety insurance companies providing insurance protection in foreign lands

50th Branch Office Opened in Seattle by American Casualty

American Casualty's 50th branch office has been opened in Seattle, managed by Jack H. Hipple, former state agent. The new office is handling casualty, fire, marine, surety and A&S, and offers underwriting, inspection and claim facilities. It serves agents in Washington, northern Idaho, and maintains a service staff for eastern Washington. Until a year ago American Casualty had been represented in Seattle by a general agency for more than 18 years.

Plock to Brokerage Post of R-L in N. Y.

Royal-Globe group has appointed Carl L. Plock superintendent of the brokerage department of the New York office. He has been with the group 23 years, beginning in the brokerage and general cover departments as underwriter and examiner. In 1946 he was appointed state agent in Kingston, N. Y., and in 1950 was transferred to Hartford as state agent.

He is currently serving as treasurer of Connecticut Field Club and keeper of the Hartford pond of Blue Goose.

He is succeeded at Hartford by State Agent John K. O'Loughlin, with headquarters at 36 Pearl street.

Surety Underwriters of N. Y. See Sales Film

"In any field there is a great deal more to salesmanship than merely calling on prospects." This was pointed out at the December meeting of Surety Underwriters Assn. of New York City, by the showing of a special motion picture illustrating selling techniques.

The film, entitled "Of Time and Salesmen," was produced for Dun & Bradstreet. It outlines and deals with the problems of the new salesman, contrasting the cold canvass sales approach with the customer screening method.

Presided over by S. M. Williams Jr., Maryland Casualty, the meeting was highlighted by the presentation of traditional gifts from the association to the immediate past president and secretary, Sidney Moritz Jr., Aetna Casualty, and George K. Sneden, Springfield F&M.

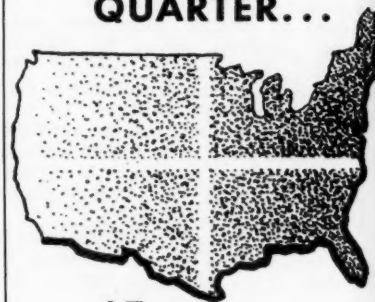
Jensen, Richards to Cal. Field for National Union

Norman G. Jensen, a special agent handling fire and casualty in the California field for the past several years, has joined National Union and will cover the San Joaquin valley territory with headquarters in Fresno. He succeeds Richard J. Waters, who recently resigned. Charles H. Richards has also been appointed special agent in the same territory to handle casualty business.

\$285,000 Fire at Dallas

DALLAS—Fire of undetermined origin destroyed 27 trucks and trailers and seriously damaged the docking facilities of the Yellow Transit Freight Lines in Dallas early Christmas morning. Insurance loss on building and contents, carried in stock companies, has been set tentatively at \$150,000, and the loss on the trucks and their cargos, carried in reciprocals, has been estimated at \$135,000 with values of many cargos still to be learned. The building facility included a dock 70 by 205 feet, the property of Yellow Equipment & Terminals Inc., a subsidiary. The building loss is being handled by General Adjustment Bureau.

IN
EVERY
QUARTER...



AT
EVERY
HOUR...

The Camden
U. S. A.

From Maine to California, from Florida to Washington, The Camden, U. S. A. is dedicated to strengthening the position of the agent in whatever community he lives. Write for our new Sketch Book of sales ideas.

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FIRE INSURANCE ASSOCIATION
CAMDEN 1, N. J.



The Pioneer Organization

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BURCHARD**
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APPRAISERS

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Chicago 40, Illinois

- Appraisals for Correct Insurance Coverage and Proof of Loss
- Depreciation Studies
- Property Ledgers

Olympic Offers Novel Personal Lines Package

Olympic of Los Angeles has a new personal package policy for use in California. In addition to the usual coverages, it may optionally include automobile liability, automobile physical damage, automobile personal accident, residence glass and polio insurance, at a discount.

The policy, which is not limited to home owners, may be written to cover fire, extended coverage, additional extended coverage, vandalism, broad form cover, with or without a deductible, and earthquake insurance on buildings or contents, all physical loss on buildings, burglary and theft and various inland marine floaters on personal property and comprehensive personal liability, in addition to the other optional coverages. Farmers comprehensive personal liability insurance and owners, landlords and tenants coverage on residence properties may be included as needed. Coverage may be written for three years, if desired, and the discount is 15% on automobile and 20% on other coverages. The policy is the work of George Behnke, fire and marine manager.

Leading NACCA Draws 400 at Indianapolis

INDIANAPOLIS—Melvin M. Belli, the controversial San Francisco personal injury lawyer known as the "king of torts", lashed out at Indiana's \$15,000 wrongful death limitation as "unrealistic and shamefully inadequate" before an overflow crowd of more than 400 lawyers at the winter meeting of the Indiana University School of Law Alumni Assn.

As he has in talks in other states, Mr. Belli charged Indiana takes a "penurious attitude" when it allows \$15,000 as the maximum award to survivors of persons killed in accidents. He advocated that the limit should be either increased or abolished.

Mr. Belli hammered away at his usual themes of the inadequacy of awards in personal injury suits and the use of demonstrative evidence to secure more adequate awards. He applied his techniques to injuries arising from all types of accidents, but particularly spelled out the need for more adequate malpractice awards. He feels that malpractice constitutes a serious problem. "If a doctor makes a mistake he usually makes a whopper. But as you might know, doctors hate to testify against their brothers in the profession." Hence, "a workable knowledge of medicine" by attorneys is the answer in malpractice cases, and "no lawyer should be granted a license to practice law" until he has this knowledge.

He was a big drawing card. The meeting was scheduled for the Columbia Club originally, but was shifted to Warren hotel to accommodate the request for more reservations. A cut-off point at 400 was finally set, but more than that would have come to hear the colorful attorney.

Jackson, Miss., Mutual Agents Elect Officers

Elected officers of Jackson (Miss.) Mutual Insurance Agents Assn., were E. W. Wells president, J. C. Sledge of Clyde C. Scott agency vice-president; and J. W. Shuford of Shuford, Smith & McKinnon agency secretary-treasurer.

Nationwide Mutual Names Two

New managers for two operating regions have been named by Nationwide Mutual.

Walter W. Falck becomes manager of the Philadelphia region, which covers southeastern Pennsylvania. He succeeds J. B. McClintock who re-

cently was named director of operations administration at the home office.

Norman L. Cowgill succeeds Mr. Falck as manager of central operations region at Columbus. He had been handling special projects for the companies since 1955.

Donald G. Lind has succeeded John C. MacLean as Oregon manager for Fred S. James & Co. at Portland. Mr. MacLean has resigned to enter the local agency business. R. Robert Smith has been placed in charge of production at James' Portland office.

Boyd Assistant NYFIRO Manager

New York Fire Insurance Rating organization has appointed Tyra M. Boyd assistant general manager. He has been assistant manager of Eastern Underwriters assn. since 1953. Previously he was in the Syracuse and Albany offices of NYFIRO.

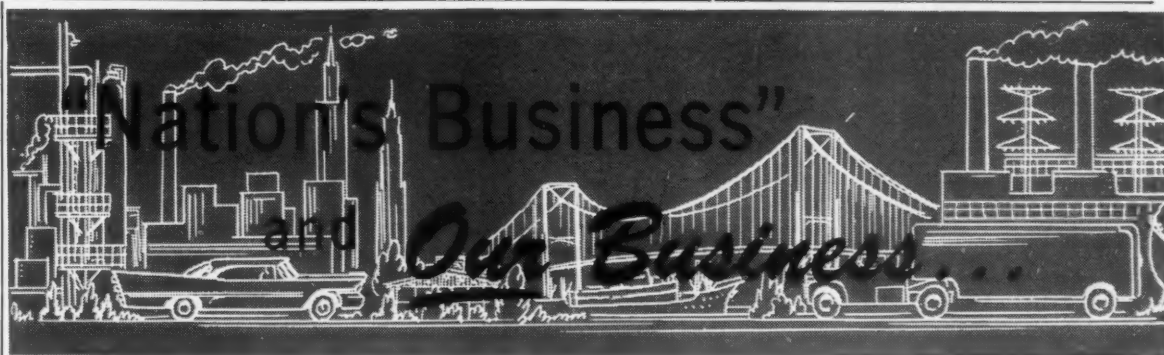
Elect Bailey at San Antonio

San Antonio Insurance Exchange elected Travis Bailey president, Howard Sacks vice-president and Francis

F. Ludolph secretary-treasurer. New directors are John B. Pipes and Chris J. Stromberger.

During the meeting, the group heard Mr. Ludolph review developments in graduated rates and discuss the department ruling refusing companies permission to use that plan.

Acme County Mutual of San Antonio which has been sending letters for business to a number of Washington agents in recent weeks has not qualified as a surplus line insurer, the Washington department has warned agents.



Look to 1957 for brightest economic horizon ever.

Economy is picking up steam now for new growth spurt in months ahead. That's view of Washington economists both in and out of government. There'll be new peaks for production, income, consumption. Gross national product—index of all production, services—is expected to pass \$420 billion rate in first or second quarter.

If our national economy and production are going to keep up and increase in some cases, the premium outlook for personal and business insurance is good and your various accounts will need increased and new insurance, as well as the newer coverages recently devised or in the making.

As new auto year begins, outlook is for second or third best year.

Automobile Insurance business likewise should continue at a high production level.

Outlook for business in consumer goods line holds good for years ahead. New marriage trend assures this.

With consumer goods holding up, large wholesale and retail inventories will continue to produce worthwhile premiums.

Industrial building is boosting total construction picture toward record.

Mounting industrial building construction points the way to increased building and contents insurance, as well as to the need for Contract Bonds.

As you so well know, we write Fire and all property coverages, Automobile, Surety and Fidelity Bonds, all Casualty lines, Ocean and Inland Marine. Underwriting information and advertising will gladly be furnished on specific coverages.

Italicized paragraphs are quoted with the permission of Nation's Business.

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MICHIGAN-OHIO DEPARTMENT
DETROIT 26, MICH.
SOUTHERN DEPARTMENT
ATLANTA 8, GA.
MIDWESTERN DEPARTMENT
CHICAGO 6, ILL.
WESTERN DEPARTMENT
KANSAS CITY 41, MO.
PACIFIC DEPARTMENT
SAN FRANCISCO 4, CALIF.

NORTH BRITISH and MERCANTILE Insurance Company Limited
The PENNSYLVANIA FIRE Insurance Company
The COMMONWEALTH Insurance Company of New York
The MERCANTILE Insurance Company of America
The HOMELAND Insurance Company of America
Administrative Office: 150 William Street, New York 38, N. Y.
The OCEAN MARINE Insurance Company Limited
Administrative Office: 55 John Street, New York 38, N. Y.
CENTRAL SURETY and INSURANCE CORPORATION
Home Office: 1737 McGee Street, Kansas City 41, Mo.

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INSURANCE GROUP
Established 1809

• Be sure to check both Newsweek and Town Journal for N.B. & M. Group advertisements telling your customers and the insuring public generally about you!

The NATIONAL UNDERWRITER

EDITORIAL OFFICE:

99 John St., New York 38, N. Y.
Executive Editor: Kenneth O. Force.
Assistant Editors: John B. Lawrence Jr.
and Robert Young Jr.

CHICAGO EDITORIAL OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.
Managing Editor: John C. Burridge.
Assistant Editors: Richard J. Donahue, Richard
Ebel, and Philip Van Pelt.
Production Editor: George H. Downs.

ADVERTISING OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.

SUBSCRIPTION OFFICE:

420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140

OFFICERS:

Howard J. Burridge, President.
Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray
8-1634. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421,
Tel. Liberty 2-1402. Roy H. Lang, New England
Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel.
Wabash 2-2704. O. E. Schwartz and A. J.
Wheeler, Chicago Managers. R. J. Weighaus
and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth Street,
Tel. Parkway 1-2140. Chas. P. Woods, Sales
Director; George C. Roeding, Associate Man-
ager; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance
Bldg., Tel. Prospect 1127. Alfred E. Cadis,
Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Build-
ing, Tel. Amherst 6-2725. Fred L. White, Rocky
Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Ex-
change Bldg., Tel. Atlantic 2-5966. D. J. Steven-
son, Resident Manager.

DETROIT 26, MICH.—502 Lafayette Bldg.,
Tel. Woodward 1-2344. William J. Gessing,
Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern
Bank Bldg., Tel. Main 5417. Howard J. Meyer,
Northwestern Manager.

NEW YORK 38, N. Y.—99 John Street, Room
2420, Tel. Beekman 3-3958. J. T. Curtin and
Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel.
Mitchell 2-1306. John F. McCormick, Resident
Manager.

PHILADELPHIA 9, PA.—1027 S. Broad St.,
Room 1127, Tel. Pennypacker 5-3706. Robert
I. Zoil, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chest-
nut 1-1634. Geo. E. Wohlgenuth, Resident
Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544
Market St., Tel. Exbrook 2-2054. Richard G.
Hamilton, Pacific Coast Manager.

EDITORIAL COMMENT

How to Win the Contest for Business

A motion picture short subject of a few years ago, devoted to ways and means of winning 25-word-or-less contests, listed several "rules." The first, foremost and indispensable rule was—not surprisingly, really—"obey the rules."

Now, obviously, this is almost ridiculously simple and scarcely noteworthy, on the surface. What the little featurette went on to point out, though, was that this is the A-1 stumbling block in all contests, the bane of most contestant entries. If the rules request the contestant to "Print," a certain number of people will write in longhand. If the rules specify "25 words or less," 26 words means disqualification. If white paper is to be used, colored paper is anathema.

What does all of this have to do with insurance? Well, it seems that there is a curious parallel between rules for winning contests and rules for "winning" new business via advertising. And, a surprisingly large number of insurance men seem to be overlooking the first rule: "Obey the rules."

One of the first rules of advertising

is that it costs money. Publicity is free; advertising costs money. The first reaction of a certain number of people to this is, "The devil with advertising. Let's get more publicity." And that's true up to a point. Sooner or later, however, the well of publicity is going to run dry.

An interview in the paper about innovation in coverage, a new partner in the agency, a fire in the typist's waste basket, all of these mean publicity. No fire, no new partner, no new coverage, no publicity.

Nor is "public relations" a substitute for advertising. Participation in the community chest, the chamber of commerce, the Rotary club, Kiwanis, the Red Cross drive, and the like, is certainly commendable and undoubtedly rewarding, even in a business way. But, again, it is not a substitute for advertising.

You must obey the rules; you must be willing to spend money. Just like the poor fellow who struggles with his "25 words or less," you can enter, work hard, and hope harder, but if you don't follow the rules, you can't win.

PERSONAL SIDE OF THE BUSINESS

Leslie J. Haefner, vice-president of marine operations for Fireman's Fund group, retired Jan. 1 after 50 years with the companies. A announcement that Mr. Haefner would retire and be succeeded by L. W. Niggeman was made in October, but Mr. Haefner stayed on until the end of the year in an advisory capacity.

He started with Fireman's Fund just after the San Francisco earthquake and fire in 1906 as an errand boy in the marine department at the age of 15. He was named assistant marine secretary in 1929, and in 1950 became vice-president of all companies in charge of marine operations. For many years Mr. Haefner has been one of the national leaders in the marine field. He has been a member of Assn. of Marine Underwriters of the U.S., a director of National Cargo Bureau, a member of American Institute of Marine Underwriters and is an honorary life member of Assn. of Marine Underwriters of San Francisco. In 1955 he was honored by being made ex-officio delegate to the conference of International Union of Marine Insurance in Monte Carlo. Two weeks ago Mr. Haefner was guest of honor at a dinner given by 150 members of the San Francisco staff of Fireman's Fund.

Bernard P. McMackin Jr., assistant editor of the *Fire, Casualty & Surety Bulletins* of the National Underwriter Co., and Mrs. McMackin are parents

of their fourth child and first daughter, Susan Margaret. The arrival is of interest in the insurance business, since the grandfathers are B. P. McMackin, Brockway, Pa., agent, and A. J. Devine, manager for Home at Garden City, L. I.

William A. Stringfellow has joined National Assn. of Mutual Insurance Agents as executive secretary, assisting Philip L. Baldwin, general manager. Executive secretary of North Carolina Assn. for the past three years, Mr. Stringfellow passed a decade practicing law before entering insurance in 1943. He became the North Carolina association's first executive secretary in 1953.

Ray Mayle, former vice-president of Pacific National Fire and Pacific coast manager for Globe & Rutgers, who for several years has been a local agent at Santa Clara, is recuperating at his home in Saratoga, Cal., following a heart attack which confined him to the hospital for several weeks.

Robert H. Wilson Jr., special agent of Hartford Fire group in Florida since 1925, has retired. He joined the group in 1917 as an assistant examiner at Atlanta. Prior to transferring to Florida he was special agent in Mississippi.

Leo C. Schutz and **George Crawford**, 50-year employees of Hartford Fire in the Pacific department were guests of

honor at a luncheon in San Francisco in recognition of their services. Mr. Schutz, a credit supervisor, started in 1906 as a file clerk. He retired Dec. 15. Mr. Crawford continues active with the company as an examiner in the fire department.

For the fourth consecutive year **John K. Cowperthwaite**, president of the New York brokerage firm of Fox & Pier, has been named to head the fire and casualty division of Legal Aid Society's campaign for funds. The society provides legal services in both civil and criminal cases to the needy of New York.

Gamble C. Dick, former Kentucky state agent for National Union and later deputy commissioner in Kentucky and now living in Charlotte Harbor, Fla., is in a hospital there for an operation for stomach ulcers.

DEATHS

STEWART McDONALD, 77, former chairman of Maryland Casualty, died in New York. Elected to the board in 1937, he was named chairman in 1939, serving until 1953. He was honorary chairman at his death. He entered the executive level of insurance after a career as an engineer and manufacturer. He was president of Moon Motor Co. for eight years, police commissioner of St. Louis for a brief period, and went to Maryland Casualty after serving four years as Federal Housing Administrator.



Stewart McDonald

WILLIAM H. BRONSTON, 67, manager of the Lexington office of Kentucky Inspection Bureau, died. He was in private law practice for about five years before joining the bureau in 1919 in charge of the Owensboro office.

LESLIE B. ROBERTSON, 85, who helped draft Michigan's original workmen's compensation law adopted in 1912, died in California.

ADOLPH STEEG, 67, who operated Theodore Steeg & Son agency in Buffalo, died.

JOHN S. McRAE, 58, president of Fry, Jordan & Wilson agency, South Boston, Va., died. He joined the agency in 1920 as general manager.

THOMAS A. PHILLIPS, 75, a director of St. Paul F.&M. and chairman of Minnesota Mutual Life, died of a cerebral hemorrhage.

KENDRICK A. SIMMS SR., 57, local agent of Louisville, Ky., died Jan. 1.

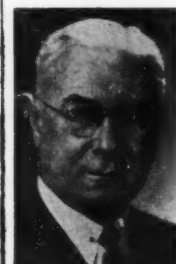
HAROLD LEE WILKEY, 59, local agent of Covington, Ind., died after a heart attack.

SAMUEL E. HUNT, 76, a director of American Hardware Mutual of Minneapolis, died at Phoenix, Ariz.

THOMAS B. McCAFFREY, 59, manager at Kansas City for Home, died at University of Kansas medical center after a month's illness. He had been with Home for 44 years, becoming



W. A. Stringfellow



L. J. Haefner

ing manager 14 years ago. He was a PMLG of the Heart of America Blue Goose.

CHAUNCEY DEPEW, 65, cashier of London Assurance group, died at his home in Peekskill, N. Y. He was assistant secretary of Manhattan F. & M. and had been with the group since 1919.

CLARENCE A. MCCOY, 60, secretary of Nebraska Hardware Mutual, died at Lincoln.

SHIRLEY D. KRAUTH, 48, claims manager for American Surety, died in Louisville of a heart ailment.

Two Plane Crashes Cost Insurers of Hulls \$600,000

A twin-engined Beechcraft passenger plane which crashed, killing its three occupants, after overshooting the runway at the Jefferson, Ga., airport, was valued at approximately \$100,000. It was insured for hull and admitted liability by Associated Aviation Underwriters.

Owned by Jefferson Mills, the airplane was ending a flight from Peoria when it crashed.

Associated also insured the American Airlines Convair passenger plane enroute from Providence to Tulsa which crashed near Tulsa killing one passenger and injuring six others and three crewmen. The plane was valued at \$400,000 to \$500,000.

Central Mutual Opens Larger Offices at Atlanta

Central Mutual of Van Wert, O., this week is opening its enlarged offices at Atlanta at 795 Peachtree street. The new office is a fully equipped branch servicing Georgia, Alabama, Florida and South Carolina. J. C. Barnes is in charge.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Jan. 8, 1957

| | Bid | Asked |
|-------------------------------|---------|--------|
| Aetna Casualty | 120 1/2 | 123 |
| Aetna Fire | 66 | 67 1/2 |
| Aetna Life | 178 | 182 |
| Agricultural | 28 3/4 | 29 1/4 |
| American Equitable | 31 1/2 | 33 1/2 |
| American (N.J.) | 24 1/2 | 25 1/2 |
| American Motorists | 10 1/2 | 11 1/2 |
| American Surety | 18 | 19 |
| Boston | 32 1/2 | 33 1/2 |
| Camden Fire | 25 1/2 | 26 1/2 |
| Continental Casualty | 80 | 82 |
| Cum & Forster com. | 58 1/2 | 59 1/2 |
| Federal | 32 | 33 |
| Fire Association | 43 | 44 1/2 |
| Fireman's Fund | 51 | 52 1/2 |
| Firemen's (N.J.) | 34 | 35 |
| General Reinsurance | 44 1/2 | 45 1/2 |
| Globe Falls | 34 1/2 | 35 1/2 |
| Globe & Republic | 18 | 19 |
| Great American Fire | 31 1/2 | 32 1/2 |
| Hartford Fire | 134 | 137 |
| Hanover Fire | 37 | 38 |
| Home (N.Y.) | 41 | 42 |
| Ins. Co. of No. America | 93 1/2 | 95 |
| Maryland Casualty | 31 | 32 |
| Mass. Bonding | 29 1/2 | 30 1/2 |
| National Casualty | 63 | 64 |
| National Fire | 85 | 88 |
| National Union | 36 | 37 |
| New Amsterdam Cas. | 40 1/2 | 42 |
| New Hampshire | 37 1/2 | 39 1/2 |
| North River | 31 1/2 | 32 1/2 |
| Ohio Casualty | 22 1/2 | 24 1/2 |
| Phoenix Conn. | 74 1/2 | 76 |
| Prov. Wash. | 18 1/2 | 19 |
| St. Paul F. & M. | 43 1/2 | 44 1/2 |
| Security, Conn. | 30 | 31 |
| Springfield F. & M. | 45 | 46 |
| Standard Accident | 46 1/2 | 47 1/2 |
| Travelers | 69 1/2 | 70 1/2 |
| U.S.F. & G. | 62 | 63 1/2 |
| U. S. Fire | 25 1/2 | 26 1/2 |

Wild Speculation in Indiana Over Identity of New Commissioner

As Jan. 15, swearing-in day for the new Indiana state administration, draws close with no announcement or even semi-official indication of the name of the new insurance commissioner, the situation has developed into the wild rumor stage.

The avowed intention of Gov.-elect Handley has been to select a high-grade man of known ability and honesty, who has no political taint of any kind. It is known that an offer of the post was made to one such man, a top-line executive of a major domestic company. However, salary considerations alone were enough to bring a declination.

Whether any other official offers have been made is not known. One of the local newspapers reported that Alvin Cast, partner in a local agency in Kentland, who has served as Republican state chairman for the past four years, would be replaced in that post by the incoming governor and offered the commissioner's job.

The Cast rumor is judged by observers to be a logical one. The Republican party has been split in Indiana, going back to the Taft-Eisenhower rift. The incoming governor is a member of a different faction from the outgoing. It seems likely he would want to strengthen his political position within the party by appointment of a party chairman selected by him rather than by the outgoing governor, as Cast was. At the same time, Handley has expressed interest in reuniting the party. Offering Cast a major state post would be a unifying step. Precedent for such action already exists. Handley removed the state income tax director, who had opposed him in the gubernatorial convention, but then reappointed him to the post of budget director.

Mr. Cast is considered acceptable to most insurance interests in the state. Persons who know him, however, question whether he could afford the commissioner's job. He would have to divest himself of his interest in his agency, which is understood to be lucrative.

Original contender for the job was Clyde Ingle, chief examiner, a career man in the department. He is highly approved by the companies and considered competent by the agents. In rejecting proffered reappointment, Commissioner W. J. Davey urged the appointment of Mr. Ingle. In the early days after the November election, his appointment was taken for granted.

During this initial period, one of the local newspapers came out with a report that while the appointment of Ingle has been assumed, agents were organizing to push J. R. Townsend Sr., retired Indianapolis general agent of Equitable Life of Iowa. Those active

in agents' organizations—particularly the life underwriters—say that at the time of that report, there was no such organized backing but that the report gave them the idea. Mr. Townsend, a former Indiana Life Underwriters Assn. president, eventually received widespread endorsement from throughout the state from both life and general insurance men. However, Gov. Handley is reported to have said that he has been forced to make so many appointments from Indianapolis that he simply could not, for considerations of political harmony, offer the commissioner's post to an Indianapolis man.

Meanwhile, some support developed for Tom Johnson, Indianapolis local agent and president of the Indianapolis board, The "Indianapolis" objection applied to him, also.

Intimates of the new governor report that he says the commissioner's post has caused him the biggest headache among all his appointments and that he has reached the stage of being so thoroughly disgusted with the pressure and maneuvering that he is cur-

rently refusing to discuss the matter even with his patronage manager.

There is some speculation that Mr. Ingle may "back into" the office. Mr. Davey reports privately that he will be completely deaf to any suggestion that he stay on for even a few days after the new administration takes over. He is said to be under orders from his new employer to get out of the department to escape any possibility of getting mixed up in the tactics involved in the new appointment.

If, therefore, no appointment has been made by Jan. 15, Gov. Handley may name Mr. Ingle as acting commissioner, possibly to observe him for a time or to hold the job open for a possible later offer to Mr. Cast when he reorganizes the party.

Higher Professional Liability Rates in Virginia

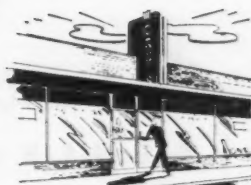
Virginia has approved an increase of 17.3% for professional liability coverage for surgeons, 33% for dentists and 25% for veterinarians, effective Jan. 23. The rates were filed by National Bureau of Casualty Underwriters.

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(Money, Securities & Merchandise)

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One of the most important features: merchandise is insured against robbery, burglary AND THEFT—i.e. no evidence of forcible entry is necessary. Money and Securities are insured on a Broad Form basis. Extra coverages such as employee dishonesty, check forgery and counterfeit currency may be included at small additional cost.

For details about the exclusive MSM Policy, write:

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COMPANY

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Up-to-Date Underwriters Handbook of Ohio Ready

A new Underwriters' Hand-Book of Ohio has just been published by The National Underwriter Company. It provides complete and up-to-date information on the agencies, solicitors, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Ohio Hand-Book may be obtained from the National Underwriter Company, at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

Mutual Creamery Now Writing Boiler and Machinery Coverages

Mutual Creamery of Minneapolis has entered the boiler and machinery insurance field.

Sam B. Bartholomew has joined Mutual Creamery and will direct the company's home office engineering department. Mr. Bartholomew has a marine engineering background in addition to several years experience with Hartford Steam Boiler and the Kemp-

er group. During the past several months, Mr. Bartholomew has been in charge of boiler and machinery production for Kemper group in Minnesota, North Dakota, South Dakota, and a part of Wisconsin.

Mutual Creamery also writes workmen's compensation, general liability, burglary, auto, fire and allied lines, garage liability and cargo coverages.

Warner-Budds agency in Hartford has taken J. H. Garneau, J. J. Horvath, and R. D. Fleming into partnership.

Texas Legislative Council Makes Several Insurance Suggestions

AUSTIN—Several proposals for insurance legislation were included in the first formal report of the Texas legislative council, a 17-member legislative research group that has had committees at work studying legislative needs in advance of the regular session that begins this month.

Without discussion, the council made three "suggestions" in the field of insurance, as follows:

Repeal of the chapter 7 provision in the insurance code which permitted the now-defunct U.S. Trust & Guaranty Co., Waco, to operate with a minimum of regulation.

Provision of sufficient money to the board of insurance commissioners to pay its examiners.

Strengthen and make uniform penalties for violations of the insurance laws.

The insurance study committee, it was also announced, said that the legislature should look into proposals for reorganizing the insurance department, with one suggestion being that it should consist of three part-time members who in turn would employ a single commissioner to operate the entire department.

The committee also urged that study be undertaken of the need for increasing further the capital requirements for insurers along with possible revisions of regulations governing investments in real estate and home office buildings.

Weed Is Loss Manager of Boston Group in N. Y.

Howard E. Weed has been named loss manager at the New York office of Boston and Old Colony. He will supervise the group's ocean, inland, fire, and automobile physical damage losses. Mr. Weed is a former marine adjuster, with 30 years' experience in the field.

Two Big Bonds in Cal.

Price-McNemar Construction Co. of Supelveda, Cal., has been awarded a contract by the navy at a price of \$1,310,000 for construction of permanent naval facilities at Central Beach. Seaboard Surety is on the bond.

Glendale, Cal., city council has

awarded to General Electric Co., at a price of \$1,856,785, the construction of a standard steam-turbine electric generator unit. U. S. Guarantee is surety on this work.

Industrial Indemnity Safety Engineers Meet

Twenty-six safety engineers of Industrial Indemnity are attending the annual Safety Engineers conference at San Francisco. The conference is discussing auto-truck fleet problems, driver training and maintenance of truck fleets as well as improved safety measures for hospitals and logging, foundry, mining and aircraft industries.

Speakers on the program are John H. Brooke, safety director Yellow Cab Co.; Walter J. Marra, Walston & Co., and Dr. Carl Fischer, chief anesthetist for Fraiser Foundation hospitals in the San Francisco area. K. K. Bechtel, Industrial Indemnity chairman, opened the session and T. G. McGuire, president, gave the key note address.

Several Changes in Government Employees

Leo Goodwin, president of Government Employees, has been elected chairman. One of the company's founders, he has been president since 1948. He is past president of National Assn. of Independent Insurers.

In other changes, Benjamin Graham resigned as chairman and has been named vice-chairman. David L. Kreeger has been elected senior vice-president and general counsel and vice-chairman of the executive committee. Harvey B. Gram Jr., Washington, D.C., lawyer, has been named to the executive committee and the investment committee.

Urges More Banks Be Allowed to Be Agents

The recommendations that national banks in towns of more than 5,000 population be permitted to act as agents for writing fire, life or other insurance, if state banks and trust companies permit such banks to do so under state law practice, is contained in a report of the advisory committee to study federal statutes governing financial institutions and credit. The report was made to the Senate banking and currency committee. The federal reserve act presently permits national banks in towns of 5,000 or less to act as agents. However, some state banks in larger communities may so act, while national banks in those communities are prohibited from doing so.

Accountants Set Next Four Conferences

The executive committee of Insurance Accountants Assn. has named the sites of its next four annual conferences. This year's conclave will be held in Atlantic City, N. J., Oct. 30-Nov. 2. In 1958 the annual conference will take place in Bedford Springs, Pa., Oct. 22-24. The 1959 conference will be in Philadelphia, and 1960 in Washington, D. C.

Cincinnati Board Nominees

CINCINNATI—A. M. Peck Jr., J. H. Gall, E. A. Russell and W. H. Wagner have been nominated as governing committee members of Cincinnati Underwriters Assn. Mr. Wagner is slated to replace President L. A. Hellminger and the other three are renominated for two year terms. Holdover governing committee members are Max Bernstein, L. C. Graham and George Guckenberg. A. J. Lenke is chairman of the nominating committee.

Eugene E. Otten has joined his father, Edward A. Otten, in partnership in the Otten agency of Sheboygan, Wis.

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WITH
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NATIONAL MUTUAL
INSURANCE COMPANY
Celina, Ohio
Fire, Inland Marine
Allied Lines

Selling Tools for any
Selling Task
GENERAL LIABILITY
GLASS
BURGLARY AND ROBBERY

Weyforth Named V-P of Two Kemper Companies

B. Stuart Weyforth Jr. has been elected vice-president and production manager of Lumbermens Mutual Casualty and American Motorists. He has been in the business for 21 years, starting as an underwriter. He joined James S. Kemper & Co. agency in Chicago in 1948 and was named executive vice-president in 1953. In 1955 he went with Osborn & Lange agency of Chicago as executive vice-president.



B. Stuart Weyforth Jr.

N. Y. Burglary and Glass Men Elect

Burglary & Glass Insurance Assn. of New York at its annual meeting elected Ray McGarrigal of American Surety president, Nicholas Chaltas of Great American Indemnity and Harold L. Pian of Massachusetts Bonding vice-presidents, Ronald A. Koseluk of Yorkshire treasurer, Gertrude Wycoff of London Guarantee assistant treasurer, Ethel J. Corbett of National Bureau of Casualty Underwriters secretary, and Sarah V. Powers of Sun Indemnity assistant secretary.

Donald Pillsbury, manager of the burglary department of National Bureau, spoke on the new broad form storekeepers burglary and robbery policy.

Atom Talk by Haugh

Charles J. Haugh, vice-president of Travelers group, will speak on the effects of present atomic insurance practices at a special nuclear developments conference to be held at the Statler hotel in New York City on Feb. 7-8 by American Management Assn.

Kirkpatrick-Thompson Co. agency of Dallas has expanded its staff. J. Gray Purnell, who has been agency claim manager for ten years, has assumed production duties. New claim manager is W. R. Aiton, formerly special agent for Loyalty group. E. H. Johnson will remain as office manager.

Hartford Accident has made four promotions in its New York office. Audley Brindley, former assistant general manager, has been appointed associate manager. He is succeeded by Rexford Crewe, former manager of the agency and brokerage department. John Sonneborn, assistant manager of brokerage production, has been named manager of the brokerage department. Francis M. Cox Jr., White Plains special agent, has been named manager of the agency department, which has been split from brokerage and will hereafter operate separately.

Pa. Autoists for Safety Oppose Compulsory

Pennsylvania Motor Federation, in executive session at Harrisburg, is studying a safety program based on a report to Gov. Leader regarding uninsured motorists. In addition to its primary aim of providing safe conditions for motorists and pedestrians, PMF seeks to protect against uninsured drivers, without backing compulsory insurance, which, the federation believes, invariably leads to exorbitant rates. The organization proposes an educational program to persuade motorists to buy insurance voluntarily, so as to obviate a possible later need for an expensive compulsory plan.

The program suggests expansion of behind-the-wheel training in high school; required classroom training in highway safety; stricter performance tests for drivers; putting teeth into the change-of-address law; urging a comparative negligence law; pressing for a decrease from \$100 to \$50 in minimum damages connected with required reporting of motor accidents; improvement of bureau of highway safety procedures; and promotion of uninsured motorist coverage.

Two Cal. Associations Elect

Newly elected officers of local associations in California include:

Riverside-San Bernardino—President, E. L. Morgan; vice-president, A. E. Berkheimer; secretary-treasurer, Ruth E. Howland.

San Jose—President, Thomas B. Kennedy; secretary-treasurer, Harold H. Shanley.

Birmingham Fire of the National Union group has been elected to membership in Surety Assn. of America. This brings membership to 84.



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DUnkirk 8-3161

7950 Biscayne Blvd.
MIAMI 38, FLA.
Plaza 7-7658

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SAN FRANCISCO 4, CALIF.
EXbrook 2-8842

407 E. Washington St.
SPRINGFIELD, ILL.
8-4305

FIELD

Three Retire From Great American Group Field Force

William B. Ragsdale, manager at Washington, D. C.; Harry G. Spaulding, state agent in central Florida, and William T. Bessant, special agent in central New York, have retired from Great American group.

Mr. Ragsdale, who joined the group in 1920, has been succeeded by the assistant manager, J. Munro Hunter.

Mr. Spaulding, with the group 38 years, has been succeeded by Special Agent Norman Bundock. Mr. Bessant, who joined the group in 1924, has been replaced by Special Agent William H. Bosmann.

Rochester Field Club Elects Free President

Russell L. Free of Loyalty group has been elected 1957 president of Insurance Field Club of Rochester, N. Y. Jack Duffey of Springfield group is vice-president, John Bartemus of New Hampshire group is secretary, and John Sundbeck of Boston group is treasurer. Named executive committee chairman was Walter L. Reardon of America Fore group.

Members of the executive committee are Chapin Blake of Aetna Fire group, Kenneth Horton of Springfield group, Alfred B. Storie of Phoenix-London, C. Grenville Hobart of Aetna Casualty, and William C. Wagoner of Travelers.

Aetna Fire Promotes Two, Opens Division

Aetna Fire group has promoted two and established a claims division in the Norwalk, Conn., office.

Special Agent John C. Johnson was named state agent in the territory under the supervision of the Norwalk office. George P. Cummings, adjuster at Millburn, N. Y., advanced to assistant claims manager in charge of the Norwalk division, under supervision of the Hartford claims division.

Mr. Johnson has been with Aetna Fire since 1949, Mr. Cummings, since 1950.

Badger Joins N. C. General Agency as Special Agent

Alexander S. Badger, formerly a special agent for Springfield F.&M. group, has joined W.N.H. Smith Sons, general agents of Raleigh, N.C., in the same capacity. Mr. Badger was a special agent for North Carolina Fire Rating Bureau, and after military service in World War II, he joined the Springfield companies.

Northern Names Rustin to Corpus Christi Field

R. E. Rustin Jr. has been appointed special agent for Northern of New York at Corpus Christi with territory to include the Rio Grande Valley. He formerly represented Crum & Forster in San Antonio.

Hartford Fire Names Anderson Special Agent

Hartford Fire has appointed William C. Anderson special agent at Columbus, O.

Mr. Anderson joined the company at Chicago in 1950. Since 1953 he has been special agent at Appleton, Wis.

New Security Service Office

Security-Connecticut group has established a branch office for central

and southern Illinois and eastern Missouri at 1055 Cotton building, St. Louis. W. H. Miller is the manager.

Hartford Accident Makes Reid N. Y. Special Agent

Hartford Accident has named William L. Reid Jr. special agent for northern New York, with headquarters at Syracuse. Mr. Reid has managed the Hartford Accident claim office at Rochester since 1953. He joined the company in 1942, became Rochester claims supervisor in 1949, and claims manager in 1953.

Pacific Indemnity Names Roger Bliss in Florida

Roger L. Bliss has joined Pacific Indemnity as multiple lines state agent in Florida. He has been casualty special agent in that state for Sun. His father-in-law is Guy W. Ireland, state agent in Illinois for Fidelity-Phenix of the America Fore group.

Minn. Field Men to Hold Insurance Forum Jan. 22

Minnesota Fire Underwriters Assn. will hold an educational forum in Minneapolis Jan. 22 for stock company agents. Subjects will include discussions of the family auto policy, the CDP policy, commercial property insurance, and various agency problems.

Fireman's Fund Names 3 to N. J. Field Office

Fireman's Fund group has appointed D. J. Ciaraffo fire special agent for Union and Essex counties, New Jersey; Howard E. Jorgenson marine special agent for northern New Jersey, and Robert J. Forrester inland marine underwriter in its Newark office. All three will work under the supervision of Philemon Hoadley, New Jersey branch manager.

Minn. Field Men to Hear Ryon and Bergerson

M. B. Ryon and O. A. Bergerson of Fire Underwriters Inspection Bureau will address the Jan. 14 luncheon meeting of Minnesota Fire Underwriters Assn. on the new commercial properties forum. An added starter is Edward Bachman, local agent of St. Paul, who will describe the legislative program of Minnesota Assn. of Insurance Agents.

Schmitt to Michigan Field for Loyalty Group

Edward J. Schmitt has been named special agent in Michigan for Loyalty group with headquarters at Jackson. He has been with the companies for 18 months in the underwriting department at Chicago and had insurance experience before that.

At Jackson he will be associated with state agent Floyd Buschlen, serving the lower peninsula of Michigan except for Wayne county.

Ohio Blue Goose to Mark 50th Anniversary

Ohio pond of Blue Goose will mark its 50th anniversary at a meeting May 13 at Hotel Southern, Columbus. The program committee chairman is A. S. Snow, M.L.G. One of the guests will be MGG Jules E. Simoneaux of New Orleans.

Raffin Honored at Dinner

P. J. Raffin, Fire Association, immediate past president of Wisconsin Fire Underwriters Assn., was given a wrist watch at a dinner held in his honor at Milwaukee.

Reilly Joins Sun in Ky.

Richard D. Reilly, who has been in

charge of the casualty division of Western Adjustment at Louisville, has joined Sun as state agent in Kentucky.

Hartford A.&I. Names Johnson Special Agent

George A. Johnson Jr. has been appointed special agent of Hartford Accident for Fairfield county, Conn. He will make his headquarters at the Bridgeport branch, where he joined the company as an underwriter in 1956.

Great American Names Loose Special Agent

Harold P. Loose has been named Great American special agent for southwestern Pennsylvania, succeeding William H. Zachman, who has resigned. He will have headquarters at 700 Commonwealth building, Pittsburgh.

Viehman Is N.B. Special Agent for Eastern Pa.

Ralph G. Viehman Jr. has been appointed special agent of North British group in eastern Pennsylvania. He will be associated with State Agent Henry M. Herrmann in Philadelphia. He was formerly a special risks engineer for the Middle Department Assn. of Fire Underwriters.

Boston Group Appoints Severin in Ia., Neb.

Boston group has appointed James A. Severin casualty state agent for Iowa and Nebraska, assisting Iowa State Agent James A. Hull and Nebraska State Agent Jerry W. Donahue. Mr. Severin's headquarters will be at 406 Securities building, Des Moines.

Inspect Allendale, S. C.

South Carolina Fieldmen's Assn. inspected Allendale, S. C., under the guidance of William Zeigler, Home, chairman of the fire prevention committee. The field men inspected 114 occupancies and made 341 recommendations.

Agricultural has moved its field office at Jamaica, L.I., to 160 Jamaica avenue. Allen H. Harris is state agent in charge.

Advance Seven in Texas Employers Claim Units

Texas Employers, Employers Casualty and Employers National have named Thomas W. Wassell vice-president in charge of claims to succeed Eugene T. Beckley, who has been promoted to administrative vice-president.

Mr. Wassell has been with the companies for 19 years and was named claim manager in 1950. Mr. Beckley was elected vice-president in 1946 and was named vice-president in charge of claims in 1950.

Also advanced to newly created claim manager positions were W. G. Baird agency division; E. J. Holland, western division; Clyde Jackson, southern division; D. E. Newton, central division, and W. T. Wight, claims manager in charge of administration.

Central Mutual Names Faley, Nugent to Field

Central Mutual has appointed John J. Faley Jr. special agent in New York and Frederick G. Nugent Jr. special agent in New Jersey.

Mr. Faley has six years insurance experience and will cover a territory including Rockland, Westchester and Putnam counties in N. Y.

Mr. Nugent has been in insurance since 1940.

A & S

International to Have Membership Week in Feb., Goal Is 15,000

International Assn. of A&H Underwriters has set Feb. 11-16 as "Membership Week."

Jay DeYoung, Oak Park, Ill., vice-president and controller of the association and chairman of the membership committee, said the drive is aimed at building membership to the 15,000 goal set by President E. J. Coffey, Mutual Benefit H.&A., Portland, Ore. The membership program has two objectives—to build membership within existing associations and to form new ones.

The International now has 78 local associations and 17 state associations.

Mr. DeYoung will supervise the drive and he will be assisted by Leonard A. McKinnon, McKinnon & Mooney, Flint, Mich., former president, and Howard E. Nevenon, Washington National, Los Angeles, board member. Mr. De Young will be responsible for the program in the midwest and south, Mr. McKinnon will head the drive in the eastern states and Canada and Mr. Nevenon will direct the effort in the far west and Rocky Mountain states.

Aetna Fire Offers New Loss of Flight Pay Group Coverage

Aetna Fire group is offering a flight pay protection group policy, the first of its kind, to insured flying personnel who are members of Air Force Assn. a private non-profit air organization consisting of persons now or formerly in military service or interested in aviation.

Insured AFA members grounded by bodily injury or disease receive a monthly indemnity up to 24 months for loss of flight pay. Waiting periods are 180 days for military aviation accidents and 90 days for other accidents or diseases. Payments are retroactive to the date flight pay ceased. The member may re-apply after coverage terminates at the end of the 24 months. Coverage also ends with termination of AFA membership, resignation, retirement or pensioning from the service or at age 60. The company has the option of renewal.

The premium is 1% of annual flight pay, which depends on rank and longevity. AFA estimates flying personnel receive an average \$2,200 a year in such pay. About 3,000 have enrolled, and 30 applications are being received daily, according to Aetna Fire.

Loss of license coverage, which differs slightly from the Aetna Fire plan, has been available for some time but is not offered generally by private insurers.

L. A. A&H Managers Elect R. H. Dutwiler President

Los Angeles A&H Managers Club has elected Richard H. Dutwiler, National Casualty, president, to succeed F. Kenneth Stoakes, Loyal Protective Life. Also elected were Earl W. Montgomery, Provident Life & Accident, vice-president; Harry Anderson, Occidental Life of California, secretary-treasurer, and Lloyd Peterson, Paul Revere Life, program chairman. Herbert Rose, Unity Mutual Life & Accident, was reelected to the board.

Fireman's Fund Has Changes in Coast Disability Department

Fireman's Fund group is realigning its Pacific department disability operations. Robert F. Benjamin has been named manager of a newly formed combined A&H and group disability department, and will be in charge of production and underwriting of both individual and group disability insurance for the Pacific department. Donald Azevedo will continue as assistant manager for group disability lines. Rangel Yorks will continue as senior underwriter for individual A&S lines.

George W. Kemper, manager of the individual A&S department, will continue as an advisor on underwriting and production matters until his retirement later this year.

Mr. Benjamin joined Fireman's Fund in 1949 as manager of the group disability department. His previous insurance experience spans some 15 years of disability insurance production.

Mr. Kemper has been with Fireman's Fund since 1935 when he started as an underwriter in San Francisco. In 1942, he was named manager of the A&H department.

Complete Fourth DITC at Butler University

Indianapolis A&H Assn. has just completed its fourth consecutive DITC course at Butler university where the first DITC course in the country was pilot-tested.

Weekly reports of field activity, one of the requirements for earning the certificate of completion of the 13-week course, showed that the number of A&S sales by class members at the close of the course period was 2.4 times greater than at the beginning.

One class member, new to the business at the beginning of the course, was among company leaders at the finish. Another class member, a \$750,000 life producer who had never written an A&S case before enrolling, even though his company has been in the A&S business three years, was selling A&S at the rate of three policies a week by the close of the course and reported his life sales had also grown.

Composition of the class ran from the extremes of a 12-time MDRT qualifier to a brand new man just under contract.

Plans for the fifth DITC at Butler during the spring semester are now underway. Organization of the new course is being directed by W. Harold Petersen, American United Life.

Organize New IAAHU Chapter in Michigan

BATTLE CREEK—Southwestern Michigan chapter, International A&H Underwriters, was organized at a meeting in suburban Galesburg recently.

Robert Osler, vice-president of Rough Notes addressed some 60 agents from Battle Creek, Kalamazoo, Benton Harbor and Grand Rapids, citing the value of a strong association both from the agent's and the insurance buyer's standpoints.

Bruce Gifford, the International association's managing director, welcomed the new group. Organizational and nominating committees were named to complete details of organization and selection of permanent officers. Roy H. Mathews and E. H. Magnuson of Federal Life & Casualty took the lead in formulating the necessary committees. On the organizational committee are Harold Sundberg, Washington National; Lennie Heath, Prudential; Dean Johnson, Federal Life & Casualty, all of Battle Creek; Rod Lenderick, Continental Assurance; William Minor, Federal Life &

Casualty; Jack Follett, Monarch Life, all of Kalamazoo. On the nominating committee are Robert Fleming, Continental; Del Patterson, Republic & National, Battle Creek; Loree Harvey, Equitable of Iowa, and Julian Farwell, Metropolitan, Kalamazoo.

HIAA Offers Standard List of Impairments

Health Insurance Assn. of America is sending member companies a standard nomenclature list of physical impairments so they can record the nature of impairments which they may be willing to insure on an extra premium basis. The list is available to non-members.

The 48-page list, made as comprehensive as possible, does not suggest that impairments should or should not be insured, a decision which rests with the individual company. However, it is expected that the nomenclature will facilitate the collection of exposure and experience data on specific impairments which companies can use for developing broader coverages and programs. HIAA hopes the companies now using other lists will have little difficulty in adapting their lists to the proposed coding systems, while companies without lists will find this one satisfactory and reasonably simple to use.

The list was developed by the subcommittee on substandard risks, headed by Gerald S. Parker, A&S secretary of Guardian Life.

Robert J. Towne of Bowles, Andrews & Towne, has been elected a director of Central Assurance of Columbus.

Loyalty Group Names Franzen Detroit Chief

Peter P. Franzen has been appointed manager of the Detroit branch office of Loyalty group to succeed G. R. Mordo, resigned.

Mr. Franzen has been with the companies for more than 25 years at the home office and in the western department at Chicago. His experience includes field work in the eastern states. In 1946 he was transferred to Michigan as state agent with headquarters at Jackson, and the following year was made assistant manager at Detroit.

Russell A. Humm has rejoined Loyalty group as special agent at Detroit. He was with the group for two years as an underwriter there until 1955 when he went into the Michigan field as a special agent.

G. B. Swarthout continues as special agent and assistant to Mr. Franzen in the Detroit branch office.

O'Toole Associates Name R. E. Most a V-P

O'Toole Associates of Queens Village, N.Y., management consulting firm specializing in service to insurance companies, has elected Robert E. Most as a vice-president.

Mr. Most joined the firm as a senior associate four years ago and has served many of its clients on varied projects since that time. He is an alumnus of Bucknell university. His extensive systems engineering experience before joining O'Toole Associates included Moore Business Forms, Addressograph-Multigraph, and International Business Machines. With the latter he was a systems salesman, doing a great deal of his work in the insurance field.

Fox & Pier Names V-Ps

Fox & Pier has named four vice-presidents—Frank C. Bilello, fire and allied, Robert H. Lackey, casualty, Robert B. Jaynes, group, and William Mayo Sullivan, production.

Netherlands Added to Peerless Group

Netherlands of The Hague and Peerless of Keene, N. H., effective Jan. 1, are sharing fortunes as a group with Caledonian-American of New York.

Having acquired the U. S. business of the Caledonian group, of which Netherlands was formerly a member, Peerless will manage the group with headquarters at Keene.

Netherlands and Caledonian-American will continue their offices at Hartford.

Fire Destroys Church in Cambridge, Mass.

St. John the Evangelist Roman Catholic church in Cambridge has been destroyed by fire. Only the walls and clock tower were left standing. The fire also destroyed many valuable religious paintings, and the \$20,000 organ that once was in Boston's historic Park Street church.

An early estimate put the amount of loss at \$2,000,000, but Rt. Rev. Robert J. Sennott, chancellor of the Boston archdiocese, states this figure was grossly exaggerated.

It has been reported that last summer the archdiocese went self insured on the advice of an insurance counselor.

Boston Names Two on Coast

Windsor A. Brown has been appointed inland marine underwriter in the Pacific coast department of Boston and Old Colony at San Francisco. Richard A. Ryan, who has been inland marine underwriter at Los Angeles, has been transferred to San Francisco in the same capacity.

Dunham Retiring at American Surety

Howard P. Dunham retired at year end as vice-president of American Surety. He will continue as a trustee. He entered the business in 1900 in the accident department of Aetna Life. He was chief office deputy collector of internal revenue for Connecticut 1920-22 and served in the legislature in 1921 and 1923. He became Connecticut insurance commissioner in 1923, and occupied the post till 1935, when he joined American Surety as vice-president. In 1929 and 1930 he was president of National Assn. of Insurance Commissioners.

A friendly personality, Col. Dunham is a raconteur of parts and is widely known and liked in the business. He has maintained his home during the years at Weathersfield, Conn. and has been active in civic, political and banking affairs there.

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Gold Zone 2 Chairman

Commissioner Gold of North Carolina has become chairman of Zone 2 of National Assn. of Insurance Commissioners with the resignation of August Pryatel, Ohio commissioner. Mr. Gold has been serving as vice-chairman. The zone is composed of North Carolina, South Carolina, Virginia, West Virginia, Ohio, Maryland, Delaware, Pennsylvania and the District of Columbia.



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U.S.F.&G. Opens Phoenix Branch, Promotes Four

U.S.F.&G. has opened a new branch in Phoenix. Promoted to manage the office was T. Dick Gibson, former U.S.F.&G. special agent for Arizona. He has been with the company since 1941.

The company also has promoted Michael B. Lash to assistant manager at Cleveland, E. Clay Ford to assistant manager at Oklahoma City, and Eu-

gene G. McDonald to assistant manager at Columbia, S. C. Formerly superintendent of casualty at Cleveland, Mr. Lash joined the company in 1946. Mr. Ford has been with U.S.F.&G. 16 years, and was previously special agent at Oklahoma City. Mr. McDonald went to the company as special agent at Raleigh, N. C., and was formerly with North Carolina Fire Insurance Rating Bureau.

Finckes agency has purchased the former Edward A. Fitzgerald agency in Albany, N. Y.

Maercklein Promoted, Two Field Men Are Named by Zurich

Several personnel changes have been made in the midwest department of Zurich.

Richard G. Maercklein has been named superintendent of agencies in the department, succeeding James H. Kennedy, who has resigned to join an agency. Two new field representatives, Philip R. Anwyl and William H. Sheets Jr., have been added to the staff.

Mr. Maercklein has been with Zurich since 1955. He was a field representative for western Michigan until 1956 when he was transferred to the Chicago agency department as assistant director. When the midwest department was formed in August, he was made assistant superintendent of agencies.

Mr. Anwyl will service agents in Iowa from headquarters at Cedar Rapids. He has been a special agent there since 1950.

Mr. Sheets will be based in Denver as field representative for Colorado and Wyoming. He has had insurance experience from both the agency and the company standpoint as a solicitor, casualty underwriter, and special agent.

Agents to Repeat Morning Educational Program

Sterling-Rock Falls (Ill.) Agents Assn. will conduct a morning school session for member agents and their employes for the third successive year. Meetings will be held from 7 to 9 a.m. each Friday morning Jan. 11 through April 12. All field men and other company representatives in the area are invited to attend.

During past years, the morning school program has been a surprising success.

Put Tex. Mutual in Conservatorship

The Texas department, following a hearing on Acme County Mutual of San Antonio, has voted to place the company in the hands of the conservator for the protection of the public. The hearing was on the matter of

compliance or non-compliance of the company with requirements set out by the department, and John W. Stayton, an attorney representing the prospective buyer of Acme Mutual, said the department had set up rules equivalent to those for a multiple line stock company and this was impossible for Acme Mutual.

The department had called for the company to show a surplus of \$300,000.

Olympic and Marathon Appoint Chambers, Gray

Olympic and Marathon Ins. Cos. have promoted John E. Chambers, vice-president of both companies, to assistant manager. Loyd E. Gray, a vice-president of Marathon and state manager in Dallas, has been elected a vice-president of Olympic.

Mr. Chambers will continue to supervise all underwriting and production work, and will assist in the direction of the entire operation. He joined Marathon as assistant state manager in Dallas in 1947 after approximately 12 years with Motors Insurance Corp. He was transferred to Los Angeles in 1951 to take over duties as production manager for both Olympic and Marathon, and in 1955 was elected to the vice-presidency of both companies.

Mr. Gray joined Olympic in 1946 as chief adjuster in San Francisco after 12 years with Motors Insurance as claims manager. In 1947, he was transferred to Dallas as chief adjuster for Marathon and later became state manager there. In 1952, he became a vice-president of Marathon. In his new duties Mr. Gray will supervise the claims operation of both Olympic and Marathon in the southwest and Michigan.

Ratterree Organization Adds to Personnel

J. A. Coker has become claim manager at Columbia for John Ratterree & Co., Greer, S. C., general agency. He was formerly assistant manager at Columbia for Crawford & Co., independent adjusters. The Columbia office of the Ratterree organization, of which H. P. North is manager, has been enlarged.

W. C. Cameron, formerly with Shelby Mutual, has joined the Ratterree organization as safety engineer in Florida. He will work out of his home in Maitland. Monroe Bailey has become a traveling auditor, covering Georgia out of the home office at Greer.

Zurich Transfers, Promotes E. S. Young on Coast

Edwin S. Young is being transferred by Zurich from San Francisco to Los Angeles and is promoted to assistant to the branch manager. He will work with Henry J. Greenwald, branch manager of the Los Angeles territory.

Mr. Young joined Zurich in 1951 as an underwriter at San Francisco. In 1953 he became a senior underwriter and in 1954 he was named field representative.

R. S. Bootay Promoted

Royal-Globe has appointed Robert S. Bootay chief casualty underwriter in Pittsburgh.

Previously, Mr. Bootay was a supervising underwriter in the field, after 10 years as underwriter in the group's New York office.

Bay City Insures WC

BAY CITY, MICH.—City commissioners, after several months' delay, finally voted eight to one to abandon self-insurance for workmen's compensation risks of city employees and to cover the risk with Michigan Mutual Liability of Detroit.



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N. B. Advances Jones to Philadelphia, Has Other Changes

North British group has advanced Gilbert F. Jones, Tennessee state agent for seven years, to assistant manager at Philadelphia in association with Edgar H. Miller, secretary and manager, with headquarters at 508-10 Walnut street.

James Y. Crawford succeeds Mr. Jones as Tennessee state agent at Nashville. He assisted Mr. Jones as special agent for several years with offices at Knoxville. Mr. Crawford will transfer from there to the Nashville office at 1015 Sudekum building.

Dale F. Lafavers, for several years with Tennessee Inspection Bureau, has been appointed special agent to succeed Mr. Crawford at Knoxville, traveling eastern Tennessee, with headquarters at the present office, 907 Hamilton National Bank building.

Special agent Manning B. Kirby, Jr. will continue with headquarters at Nashville office under Mr. Crawford.

Four Advanced by American Casualty

American Casualty has promoted four members of the home office fidelity and surety department. Jay Brooks, assistant secretary, has advanced to assistant vice-president, Theodore M. Leinbach Jr. to superintendent of fidelity underwriting, Elvin A. Flamm to superintendent of license and permit bonds, and Martin C. Reinsmith to superintendent of judicial bonds.

Allstate To Add Claim Dispatching Offices to Drive-In PHD Service

Allstate has completed plans to speed up auto physical damage claim settlements in the Chicago area by the establishment of five central claim dispatching offices during 1957.

"Claim dispatching from a central office is one of two methods pioneered by our firm to offer even improved service to our customers," President Calvin Fentress Jr. said. "The second method is the use of drive-in adjustment centers, which we began several years ago in Chicago. It is now available in 105 locations throughout the country."

The claim dispatcher system recently evolved in the Kansas City office. All planning and all assigning of physical damage claims are done systematically at a central point so that the entire adjusting force can be coordinated to produce faster results.

The dispatcher system ties in closely with the "drive-in" claim service operation which features on-the-spot payment of claims at offices located at strategic points in metropolitan areas. The claim dispatching system centers around the dispatcher who takes claim calls from customers and turns them into assignments for the team of adjusters which operates throughout the city. The method has proved most functional in metropolitan areas, where the volume of physical damage claims received by telephone is large.

Alaska WC Hearing Jan. 23

A hearing on workmen's compensation experience and related subjects has been called by Commissioner Duncan of Alaska for Jan. 23 at Juneau.

The hearing was called to consider suggested amendments to the Alaska code and the experience of both admitted and non-admitted insurers in light of agitation, particularly in labor circles, for the establishment of a monopolistic territorial workmen's compensation act.

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Safeguard Elects Several Officers

Directors of Orient have elected new officers who, by the terms of the merger of London & Lancashire Indemnity, Safeguard of New York and Orient, effective Jan. 1, are automatically officials of the resulting company, Safeguard of Connecticut.

David S. Nixon was elected vice-president. He joined the company in 1924 as a claims adjuster in Detroit and was transferred to Hartford in

1940 as superintendent of the claims department. He has been secretary since 1953 in charge of countrywide claim operations.

John A. Trotter was elected secretary and assistant treasurer. He has been with the organization 33 years and in charge of casualty accounting and statistical departments since 1946.

Leif I. Sorensen was elected secretary. He joined the group in 1951 in the casualty claims department, of which he was later made superintendent.

Elected assistant secretaries are

James E. Farrell, Ferrer U. Lodola, George J. O'Brien, Arnold H. Parker, Richard E. Reichenbach, Dwight R. Sanderson, Daniel J. Sheehan and Richard T. Wivagg of the Hartford head office and J. Arthur Bantel and J. Mainzer of the New York office.

At Chicago Harold C. Willard was elected secretary and Robert F. Ferbend assistant secretary. George B. Snelten Jr. was appointed superintendent of underwriting of the western casualty department.

Aetna Life Promotes M. B. Brainard Jr. to V-P and Treasurer

Aetna Life has promoted Morgan B. Brainard Jr., vice-president and assistant treasurer since 1948, to vice-president and treasurer. He will head the investment department, succeeding James H. Brewster Jr., who has retired as vice-president and treasurer after 31 years' service.

Mr. Brainard, whose father is chairman of Aetna Life, joined the company in 1927. He was appointed assistant treasurer in 1935 and later was named to a similar post in Aetna Casualty and Standard Fire. He was elected a director of Aetna Life and Aetna Casualty last October.

Louisville Board Sues to Bar County from Mutuals

Louisville Board of Insurance Agents has brought suit against Jefferson county board of education, seeking to prevent the latter from insuring school properties in mutual companies. Under the state constitution, all governmental agencies are barred from becoming stockholders in any corporation or from assuming any form of liability.

The board of education had planned to cancel present insurance Feb. 1, and rewrite coverage in mutual companies.

The City of Louisville is also interested in the question, since mutual companies recently underbid stock companies for the city workmen's compensation insurance, but this subsequently went to American Motorists of the Kemper group as low bidder.

Argonaut Underwriters has appointed Harold L. Ransdell resident safety engineer for Idaho with offices at Boise.

Osorio Chairman of Texas Board

AUSTIN—John Osorio, attorney of Austin and former executive secretary to Gov. Allan Shivers, who was sworn in Jan. 1 as a new member of the Texas board of insurance commissioners, was elected its chairman at a special meeting of the board Jan. 2. He was named to the board to fill the vacancy created by the resignation of J. Byron Saunders, chairman, who now is vice-president and general counsel of the Republic National Life. Other members of the board are Mark Wentz, head of the fire division, whose term runs to 1961, and Morris Brownlee, head of the casualty division, whose term will expire next month.

Hartford Accident Gives Quarter Century Awards

Hartford Accident has awarded special service plaques for 25 years or more of representation, 15 in January. The latter are Hollister-Longeran of Bennington, Vt., Clark & Vall of Winsted, Conn., W. R. Dawson & Co. of Augusta, Ga., William L. Helm of New Canaan, Conn., Brace-Lane of Sparta, Mich., and Andrews & Sears of Macomb, Ill.

Also, Union agency of Delphi, Ind., D. A. Fisher, Inc. of Memphis. Howard M. Raymond & Son of East Orange, N.J., Eves agency of Millville, Pa., Earl L. Benneman of Boiling Springs, Pa., Roaring Springs (Pa.) agency, Wegener & Daly of Boise, and Ivan S. Rankin of Oakland.

Cast bronze mounted on a walnut base, the plaques bear the Hartford Accident stag emblem and are inscribed with the agency name and year of company affiliation.

Worcester Mutual Names Two Special Agents in N. Y.

Worcester Mutual Fire has appointed two special agents in New York. James S. Owens and Charles Swift. They succeed Gustave H. Kehr who is retiring after 17 years with the company.

Mr. Owens was formerly with Utica Mutual and Marine Office of America as special agent. Mr. Swift was most recently office manager for the E. J. Gehben agency of Seaford, N. Y. Prior to this he was special agent for North America, and also worked for two years with the Fuller & Kern agency of New York City. He began his insurance career with Norwich Union Fire.

Mr. Swift will handle the Long Island-New York City area, and Mr. Owens' territory will be eastern New York state.

St. Louis Agents, Brokers Elect Kummer President

Associated Insurance Agents & Brokers of St. Louis have elected Paul E. Kummer president; John A. Reardon vice-president; Fred E. Graf, treasurer; William Dietz, secretary, and August C. Beckemeier, Lewis M. Booker, Charles A. Johnson, Ralph M. Keeney, Alphonse Rengel and Harold Thompson, directors.

Mo. Fire Prevention Assn. To Nominate New Officers

Missouri Fire Prevention Assn. will hold its winter meeting Jan. 17 in Jefferson City. Officers will be nominated and a social hour and banquet will follow the meeting.

General Adjustment Bureau has moved its Sarasota, Fla., branch to 135 North Pineapple avenue.

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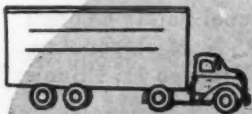
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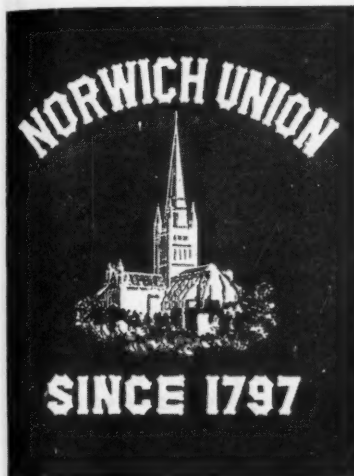


Gold May Ask for Larger Surpluses, Seeks Agent Law

Commissioner Gold of North Carolina is expected to ask the state legislature, which meets Feb. 6, to increase by 100% the surplus newly organized insurers must have before they can be licensed.

Present regulations require fire and casualty companies to be capitalized at a minimum of \$300,000, with a \$140,000 surplus. Life companies presently may organize with \$200,000 capital, \$100,000 surplus.

He will also ask for a law authorizing the department to revoke the license of any agent representing a non-licensed company in the state without authority from the insurance department. It is expected that the law will be so worked as to give him a method of controlling these agents and enable him to force non-licensed companies, such as those operating on some military establishments, to pay the premium tax.



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American Home Enlarges Operation in Western Pa.

American Home group has opened a new branch office in the Keystone building, 324 Fourth avenue, Pittsburgh. The group has had service representation in Pittsburgh many years, but enlarged offices and augmented staff will increase its ability to provide service for agents and brokers in the sector.

Edward A. Logue has been named manager of the new branch. He has represented American Home as state agent since 1940. Donald E. Beers, special agent of American Home and State of Pennsylvania since 1954, has been named state agent.

Dale E. Hutchinson will be casualty representative in the new office. He has been with Continental Casualty five years.

Mr. Logue is the son of Charles M. Logue, founder of Logue Brothers & Co., prominent Pittsburgh agency. He started with the Royal-Liverpool in New York, and was in the field for Security-Connecticut before joining American Home. He is past president of Insurance Club of Pittsburgh, of Smoke & Cinder Club, and of Underwriters Assn. of the Middle Department. He is now a vice-president, director, and executive committeeman of Insurance Federation of Pennsylvania.

Mr. Beers entered insurance in 1948 with National Union where he became assistant manager of the brokerage and general cover department.

Boston Has Ocean Marine Changes

George S. Zacharkow, formerly loss manager at New York, has been named manager of the marine and fire loss departments at the home office of Boston and Old Colony. He joined the Boston group in 1949 and became manager of the New York City loss department in 1951. He is a member of New York Board's committee on loss adjustments.

Robert G. Lowry, who has been manager of the ocean marine loss department for several years, has been transferred to ocean marine underwriting where he will act as marine special representative. He has had long experience in the yacht and small boat field. He joined the group in 1947. He is commodore of Plymouth (Mass.) Yacht Club.

Evans, Skarie Moved in United Pacific Changes

United Pacific has transferred W. E. Evans from Seattle to the home office in Tacoma and Donald R. Skarie from the home office to Salt Lake City.

Mr. Evans will assist Tom C. Sterne, vice-president, in the home office underwriting department. He joined United Pacific in 1934, became special agent at Los Angeles in 1943, and moved to Seattle in 1947.

Mr. Skarie will assist Thomas W. Manclark at Salt Lake City in fire and casualty underwriting. He joined the company last year after five years with General of Seattle.

A pilot crop insurance project modeled on the system used in the U. S. has been recommended for Canada by the Saskatchewan royal commission on agriculture. The commission has suggested the system be initiated through the cooperative efforts of farmers and the federal and provincial governments in selected risk areas.



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Rodda Weighs Impact of Multiple Line

(CONTINUED FROM PAGE 5)

considered in whatever modifications may be made in the future.

The "hand-in-hand" method will retard change, however, he said, which may be desirable in some cases and undesirable in others. It is doubtful whether the homeowners could have been developed in the first place if three different organizations had been required to give consent to that type of package. There are advantages and disadvantages in this division of authority, he commented.

As to loss experience and statistics,

Mr. Rodda does not share the concern over the possibility that a shift of insurance to packages may distort the statistics for existing classes of insurance. History indicates that such changes are gradual and not harmful. Windstorm cover has all but disappeared, but the change-over to EC was so gradual that no disruption occurred. The personal property floater has been available for 20 years, but the dwelling contents fire experience has not suffered any harmful distortion. If a new coverage or package is

so desirable that the public buys it are filed by rating bureaus with departments. Of equal importance in volume are the rates not subject to the filing requirements which companies make according to judgment. The loss ratios of these two types of coverage year after year are consistently within a couple of percentage points of each other. The desire to lower rates because of competitive factors, and the desire to raise rates in order to increase the company's profits seem to offset each other sufficiently so that insurers and the public alike are adequately protected against unfair treatment, he suggested.

It appears likely that present rate making methods will be deficient in some respects as more and more of these multiple line coverages are developed, he believes. The lack of centralized control over a particular form of coverage tends to increase indecision and confusion regarding coverage and statistics. If the industry decides that preservation of present rate making jurisdictions is desirable, it will be necessary to develop better means of coordinating the various elements.

He would also like to see better centralized methods of making studies and investigations of proposed changes. The tendency has been for each organization to make its own study of the desirability of a change. Duplication of effort can be avoided if more centralized study and analysis can be encouraged.

A considerable controversy now is going on regarding state and bureau control of rates, with the feeling that the present system is advantageous to independent companies. Perhaps some of the present situation results from an attempt by the bureaus to maintain more of a rigid control than present circumstance would justify. He suggested that the rating bureaus may become primarily service organizations, with provisions for modifications of rates, rules and forms by individual companies to meet conditions in the field.

Desperate efforts are being made by rate making bodies to maintain their jurisdictions, or to enlarge them, he said. The actual control of many of the ML coverages for policing and the computation of individual rates is going to the fire rating bureaus. Such a move tends to solidify the coverages as far as the bureau companies are concerned.

The weight given to the component parts of multiple line rates will decrease as experience becomes available on each package as a whole, Mr. Rodda thinks. The experience of fire insurance as such, for example, will become less important as a rate making factor. Probably risks subject to class rating, such as dwellings, may eventually be rated wholly by the loss experience of the package. Hazards affecting an insured property tend to be interrelated. A good fire risk is usually a good windstorm risk and also a good liability risk. Proper maintenance of the property affects the loss probability for all kinds of insurance. History indicates that rate making by addition of component parts tends to be simplified as each package is sold more widely. In time, rate making is likely to be based on total experience.

Competition has encouraged the sale of the new packages, he said, and has been a factor in establishing rate credits. Competition may be an even more potent rate regulatory factor than the efforts of the rating bureaus to maintain control, or the effort of the states to supervise rates. Rates in general have proved to be adequate, fair, and not unfairly discriminatory, even in those lines of insurance where independent making of rates is the established procedure.

For example, there are two types of inland marine rates, and both of them have elements closely associated with multiple line coverages. There are IM rates that are subject to filing requirements, and under which rates

are filed by rating bureaus with departments. Of equal importance in volume are the rates not subject to the filing requirements which companies make according to judgment. The loss ratios of these two types of coverage year after year are consistently within a couple of percentage points of each other. The desire to lower rates because of competitive factors, and the desire to raise rates in order to increase the company's profits seem to offset each other sufficiently so that insurers and the public alike are adequately protected against unfair treatment, he suggested.



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(CONTINUED FROM PAGE 1)

and it will show an underwriting profit.

While it is not possible to estimate accurately statutory underwriting profit or loss until December figures are tabulated, the figures for the first 11 months of the year compare favorably with corresponding figures for 1955, Mr. Diemand stated.

Investment income for 1956 is about \$25 million for the group, an increase of \$2 million. New investments added to the portfolio in 1956 amounted to \$25 millions. Mr. Diemand does not think dividend disbursements by corporations will increase in 1957 at the same rate as in 1956 but does anticipate a continuation of dividend payments on approximately the same scale. The tight money situation should present opportunities for additional investment in fixed income securities at attractive rates. He estimates that the group will have an amount of new funds for investment in 1957 as large as 1956, \$25 millions. He anticipates a worthwhile increase in investment income, though probably not as large as 1956.

On underwriting there is no excuse for complacency in viewing the year ahead, he warned. While progress and prosperity are expected to continue, the year for the insurance business depends largely upon the business itself.

Factors which pose a challenge to insurer management are the sharp increases in the frequency and the amount of losses coupled with rising business expenses in almost all lines of insurance. Action is required on rates and operating expenses so insurers may realize a reasonable underwriting profit. Regulatory officials should note that this is essential to the continued welfare of insurers and thus is in the public interest.

Much of the trouble in fire insurance rests in a substantial increase in the dollar amount of losses reported in the \$50,000 to \$500,000 category. While the total number of these losses to North America remained approximately the same, money paid by the companies is up more than 20% as compared with the same number of losses in 1955.

Automobile bodily injury experience showed a loss, and the profit margin in other automobile coverages was reduced. The undesirable effects of inflation on claims costs and settlements made a serious dent in the profit margin of automobile physical damage coverage. Continued increases in automobile liability rates will be necessary if the business is not to remain in the loss column.

But far more important than the question of profit to the insurance business is the loss of life, he stated. Reversing the trend of highway slaughter is a serious matter for public concern. The problem cannot be resolved by the underwriters alone.

Mr. Diemand noted that North America has built an extensive overseas organization since World War II. The process is nearing completion and is at the threshold of a development program, realizing efforts of the last 10 years. As American enterprise continues to develop abroad, he expects that North America's overseas business will develop commensurately. In 1956, excluding Canada, total foreign premiums, insurance and reinsurance, are about 15% above the \$12,600,000 figure of 1955. Plans to consolidate

and improve the group's worldwide position will be carried out in 1957, especially in Latin America and the Caribbean. He anticipates another 15% increase in 1957.

Two important factors will affect the reinsurance business in 1957. First, there have been large losses during 1956, and reinsurers have had more than their share of them. In addition, the loss experience generally has been poor. Past experience indicates that this will produce astringency in the reinsurance market.

Second, events in Europe and the Middle East are encouraging buyers of reinsurance to seek a market in America. The combined effect of these factors will be that increased business will be offered in the American market. If carefully selected and judiciously underwritten, this growing volume of reinsurance business should produce a reasonable profit in 1957.

Insurance managements must keep a close check on expense ratios, he said. Automation may be a partial but important factor in cutting administrative costs and is being given serious consideration by the business.

Also, stock agency companies and the independent local agents who represent them should jointly study ways and means of keeping costs of doing business within competitive range of that segment of the business which sells direct to the public. Cooperation in this endeavor by both agencies and companies is necessary because integration of their common operating requirements provides the only real opportunity for a cut in operating costs of the size demanded by current competitive conditions.

Insurance is a growth industry. There is no reason why it should not continue to grow in 1957, he concludes.

Claims in Conn. Blast Partially Settled

Claims already settled against a contractor for a blasting accident last summer in Greenwich, Conn., total \$50,000 with another \$40,000 still in the mediation stage. The accident showered rocks in the Armstrong Court apartments there and severely damaged the main line of the New Haven railroad.

Indemnity of North America had the insurance on the Slattery Contracting Co. Still unsettled are claims of the town of Greenwich for \$16,000, the railroad for \$14,000 and a local resident for \$10,000.

Kansas City Luncheon Add

The Nov. 29 issue of THE NATIONAL UNDERWRITER which reported a speech by Bradford Smith Jr., vice-president of North America, failed to note that the occasion was the annual all-industry luncheon sponsored by Kansas City chapter of CPCU at the Muehlebach hotel. More than 400 local insurance people attended the

luncheon at which Dr. Edwin S. Overman, assistant dean of American institute conferred CPCU diplomas.

Guests included Ralph B. Williams, president of National Assn. of Mutual Insurance Agents; W. O. Owen, chief rater of the Missouri department; F. Vernon Griffith, president of Missouri Assn. of Insurance Agents and Kansas City Insurance Agents Assn.; Charles E. Gilliland Jr., dean of the University of Kansas school of business administration; and Russell R. Brown, fire and casualty fire supervisor, Kansas department.

Nine More Insurers Join Arbitration Agreement

Nine more insurers have agreed to arbitrate their auto PDL and PHD claims up to \$1,500 under the agreement sponsored by Assn. of Casualty & Surety Companies and National Assn. of Mutual Casualty Companies. The companies are American Home, Bankers F&M, Buffalo, Camden Fire, Industrial Indemnity, State of Pennsylvania, Interstate Indemnity, Mid-Union Indemnity, and Northwestern Mutual.

New GAB Office at Laredo

General Adjustment Bureau has opened a branch office at Laredo, Tex., with C. W. Goodnough as branch manager and Mrs. Sofia Marquez as secretary. Mr. Goodnough has been with GAB since 1951 and for several years has been handling all classes of claims in Laredo. The new office will service Cotulla, Encinal and Zapata.

Mulligan Heads New Northwest Service Office of National Fire

National of Hartford group has promoted John J. Mulligan to manager of the newly created northwest service office at Minneapolis.

Mr. Mulligan's entire business career has been in insurance. Prior to joining the National group he was with Western Actuarial Bureau and Cook County Inspection Bureau. In 1947 he went with the National as an engineer at Chicago. In June of that year he was transferred to Michigan as special agent and in 1948 was appointed state agent in Kentucky. In 1950 he was made state agent in Minnesota.

In addition to supervising production in Minnesota and northwestern Wisconsin, Mr. Mulligan will have supervision of the over-all policywriting operations for Minnesota and northwestern Wisconsin, as well as North and South Dakota.

Supervision of production in North Dakota will remain under the general supervision of State Agent Bolton assisted by Special Agents Barker and Crouse, and in South Dakota, under State Agent Shannon assisted by Special Agent Pease. In Minnesota, Mr. Mulligan will continue to be associated with State Agent Steen, Special Agents Brigham and Hubinger, Casualty Supervisor Myhre, and Crop-Hail Supervisor Olson.

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FTC Overrules Its Examiner in Case of Travelers Health

WASHINGTON—Overruling a decision of Examiner Cox, Federal Trade Commission has ordered Travelers Health of Omaha to stop allegedly false advertising of its health policies and to reveal restrictions on benefits payable to insured. Under the examiner's initial decision some of the false advertising charges would have been dismissed.

In another case an FTC examiner

issued an initial order, subject to commission review, to prohibit Reserve Life of Dallas from misrepresenting the extent of coverage afforded by its A&S policies and its requirements concerning the health of applicants. The examiner, however, dismissed charges that the company misrepresented cost of termination provisions of its policies.

The FTC order on Travelers Health was accompanied by an opinion by Commissioner Anderson, vacating the initial decision. In a separate opinion, FTC Chairman Gwynne concurred in the result, explaining that he believes the commission has jurisdiction over

the challenged advertising, inasmuch as it was carried on solely by mail and sent into states where Travelers Health was not licensed. Mr. Gwynne disagreed with the other commissioners in the American Hospital & Life case.

The FTC ordered Travelers Health to stop representing that any of its policies can be continued indefinitely simply by timely payment of premiums, that policies provide for indemnification due to sickness or disease unless all limitations are disclosed conspicuously, and that no medical examination is required unless this is unqualifiedly true.

FTC overruled the hearing examiner's dismissal of charges that Travelers Health had misrepresented that coverage can be continued by a policyholder as long as he makes premium payments on time. The commission found that the company has stressed in advertising that there is no age limit to which a policyholder may continue protection and that there is no increase in premiums to those of advanced age. Such representations are deceptive, FTC ruled, in view of the company's right to cancel a subscriber's policy at any time.

The FTC disagreed with the examiner on the advertising of no medical examination being required since the policies provide that no indemnity will be paid for loss if the cause is traceable to a condition existing prior to 30 days after issuance of the policy.

Reserve Life was ordered to stop representing that medical examination is not required or that conditions of health at the time a policy is issued will not be considered unless the company actually does insure without regard to the physical conditions of insured before or after a policy is issued.

The order also would prohibit advertising that policies provide any specific indemnification, benefit, or payment if there are limitations or conditions in the policies themselves, unless these limitations or conditions are fully disclosed in the advertising.

Dismissing other charges, the examiner noted, for example, that such ads as "Protects for less than the cost of smokes or chewing gum" are mere "puffing." "A cease and desist order based on this charge is not justified," he said.

The complaint also had charged as false such claims as "Benefits not reduced or terminated because of age." Dismissing this charge, the examiner said that "said statements can be reasonably read to mean only that the policies contain no provisions terminating or reducing benefits on account of increasing age," which is true.

National Board to Survey Fire Losses in Baltimore Area

National Board Jan. 14 is opening a temporary field office in Baltimore to survey loss adjusting practices in that area.

Donald B. Sherwood, NBFU's assistant general manager in charge of adjusting, stated that the Baltimore territory was selected because it is an important center of fire insurance and is ideally situated for a survey of loss adjusting facilities and adjustment practices. Through its field office there, all fire losses may be cleared to interested companies for their final approval and payment. Similar surveys have been conducted in Detroit and Philadelphia.

The companies will individually determine their course of action in all cases. To assist them, preliminary on-the-ground inspection and review will be made as losses occur and proofs of loss are received. Counsel and advice will be exchanged between adjusters and the field office, and encouragement will be extended to all adjusters to maintain their work at the highest possible level.

The survey will encompass fire losses occurring under all types of policies and these losses will be examined whether adjusted by agents, field men or adjusters. Automobile, inland marine and extended cover claims will not be involved.

The method of assigning losses will not be altered in any way, but adjusters will be requested to complete and file with National Board an "adjuster's registration card." As losses are assigned to adjusters or as agents are authorized by their companies to adjust losses a duplicate loss index card will be prepared and sent to the field office of National Board in room 510, American building, Baltimore 2.

As proofs of loss are received, a date stamp "received" is affixed, and as they are mailed to companies they will be stamped "cleared." Proofs of loss will not be delayed in the field office. All proofs and closing papers, representing satisfactorily adjusted losses, received in the office by 3 p.m. will go forward to companies the same day. The office will be open six days a week and thus week-end mail to the field office will be in the hands of the companies the following Monday morning.

The office will be under the general supervision of Mr. Sherwood, with B.P.L. Carden, general adjuster, in direct charge.

N. H. Agents Ask for HO Installment, Audit

The executive committee of New Hampshire Assn. of Insurance Agents has requested the insurance department to approve the premium installment endorsement on homeowners and comprehensive dwelling policies. A premium of \$125 was advocated as the minimum amount to be financed under the plan.

The association also asked that the New Hampshire department develop a method of auditing homeowners policies.

Akron Claim Men Elect Balden

Assn. of Claim Men of Akron, O., has elected Wade A. Balden, Ohio Farmers, president; Harold E. Kirby, Ohio Farmers, vice-president; Dale Redroad, Nationwide Mutual, secretary, and Michael Hudak, Nationwide Mutual, treasurer.

American Manufacturers Mutual Elects Dewey V-P

American Manufacturers Mutual of the Kemper companies has elected R. M. Dewey vice-president.

Mr. Dewey is also production manager for Kemper group's fire division. He joined the group in 1955 after having been vice-president of Associated Reciprocal Exchanges.

Kan. Claims Service Opens Branch

Kansas Claims Service of Wichita has opened a branch office at Dodge City with Grant Miller as manager. Mr. Miller, a graduate of Kansas University law school, has been with Kansas Claims Service for three years and before that was with Hartford Accident.

The William C. Brunk agency of Ottumwa, Ia., has purchased Sam C. Stoltz & Co. agency of that city.

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Analyzes Today's Trends and Problems

(CONTINUED FROM PAGE 9)

petent technician will still be necessary to handle the personal insurance problems of an individual.

It is possible for specialty and direct writing companies to recruit and train men able to equal or exceed the performance standards of local agents, the monograph goes on. These companies should also be able to develop compensation systems which will hold competent producers after they have fully exploited the potential market for new business in their territory—at a slight increase in expense.

Current premium differentials between agency and non-agency companies will be reduced, not only for automobile, but for all forms of property-liability insurance in the personal lines area, Mr. Bickley believes. Agency companies will lower their costs to adjustments in their distribution methods. The non-agency companies will find their current rate advantage lessened as their improved service facilities increase costs.

Beyond this, however, there are other threats to both these systems of distribution, Mr. Bickley's findings suggest. Insurance sales counters have been set up in department stores, and experience derived from these efforts suggests that further application of this idea will be forthcoming. Life companies are aware of the time many full time life agents are devoting to selling non-life lines—and they see creation of their own property-liability insurers as a possible way to gain the full benefit of the total sales efforts of their agents. The mergers of property-liability companies being explored and completed suggest that the economic advantages of large scale enterprise are being noted. The threat of the almost unrestricted sale of group covers facing the life agent specializing in the sale of individual life contracts may soon confront the property-liability agent.

Among the possibilities ahead are that on personal lines agents might represent a single company and work out of a branch. Agents will have to be selected more for their sales ability but will have to be trained initially to handle such problems as knowing how to tailor a variety of package policies to meet each buyer's needs. The compensation plan would give primary recognition to new sales but would have to include an amount to cover the cost of servicing the policyholder. Much of the service required by insured would be handled by technicians in home and field offices. Agents would be assisted in their sales efforts by advertising and direct mail supplied by the company.

Yet, Mr. Bickley notes, there will be at the same time a move toward more professionalization, with fewer agents operating on a part-time basis. Certainly there will be a natural progression in the agent's career as he moves from writing personal insurance into the more complicated business types of coverage.

Eventually, the agent may reach the point attained by a limited number of life agents who serve more as consultants to insured than as agents. He might establish his own office, though most leading life agents still retain an affiliation with one company though brokering considerable amounts of business elsewhere. On property and liability lines it would be to the insurer's advantage to subsidize his of-

fice expense to obtain a major share of the agent's commercial and large personal cases.

All of these possibilities Mr. Bickley thinks require management to be alert for adjustment to the changing market. The use of one or another system is no guarantee of success, he comments. But leadership in the business will result in the skill with which management adapts itself to conditions.

Mr. Bickley has a number of recommendations regarding the distribution force, new sales outlets, improved package design, reduction of costs of coverage, improvement of service and research. The latter are particularly interesting in a business where not too much research is done. They include the potential market for packages, buyer attitude toward universal application of the deductible, public interest in forms which are understandable and interesting to read, attitude of buyers toward companies which practice highly selective underwriting, use of policyholder "boards" to help shape company policy, particularly in the area of product and marketing, determination of the additional loss cost the company would have incurred had policyholders not been cancelled during the contract term, former insured's attitude toward cancellation with possible improvement of the cancellation process, and determination from company records and interviews with claimants of the extent to which the policyholder recovered his financial loss through insurance proceeds and his attitude on the way the claim was handled.

The monograph is published by Bureau of Business Research of Ohio State University, Columbus, and sells for \$2.

American Farmers Mutual Promotes Hall and Cook

J. H. Hall has been appointed Indiana state manager for American Farmers Mutual. The Indiana office has been moved from Kokomo to Indianapolis.

Mr. Hall has been with American Farmers Mutual, a member of the Kemper group, for 10 years, the last two as assistant state manager for Delaware, Maryland and West Virginia.

W. D. Cook has been named to replace Mr. Hall as assistant Tri-State manager. He joined American Farmers in 1953 as a regional supervisor in West Virginia.

D. M. Brown, previously Indiana state manager, will serve American Farmers in the Kokomo territory. He succeeds J. D. Dagg, who becomes a regional supervisor in Pennsylvania.

Xmas 'Round the World

American International Underwriters has on display in its windows at 102 Maiden Lane, New York, scenes typical of Christmas activity in Austria, France, England, Australia, Holland, China, Japan, Italy and the U. S., along with a short story of how the Yuletide is observed in each country. The display is introduced with a Christmas greeting from A.I.U. to friends here and abroad.

Plan Wash. AR Surcharge Boost

The governing committee of Washington Automobile Assigned Risk Plan has approved rule amendments which would increase the surcharge on involuntary assignments from 15% to 25%. The changes will take effect Jan. 5, unless a dissenting vote is registered with the manager.

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(CONTINUED FROM PAGE 15)

mission on one policy offsets the financial loss to the producer arising out of the services performed on another policy.

There have been repeated comments that the commissions on the state's insurance business have been paid by the state. Such comments are not accurate. The commissions have been paid by the insurers. As in any other business, the various items of cost in the insurance business, including the producers' commissions, are ultimately borne by the consumers or policyholders. But it is not wholly accurate to conclude that, because a commission on a specific policy is expressed as a percentage of the premium paid on that policy by the policyholder, such commission is therefore paid by that policyholder. Again, insurance is a business of averages. Insurance companies daily pay losses of specific policies that far exceed the premiums paid thereon by the holders of such policies. Obviously, it cannot be said that such policyholders pay the commissions on their policies any more than they pay the losses and other expenses in excess of their premiums. The most that can be said is that, through premiums, they contribute to payment of the insurance company's losses and expenses (including commissions) in the aggregate.

There has been some conjecture as to just what is embraced by the term American agency system. In brief, that term, which is recognized in various court decisions and statutory laws throughout the United States, describes a method of distributing and servicing insurance contracts issued by insurance carriers—whether stock, mutual or reciprocal—through licensed insurance agents and brokers who are independent business men remunerated on a commission basis. Ownership rights to insurance policies pro-

duced through independent agents and brokers are vested in such agents and brokers, not in the insurance carrier that issues the policy under the American agency system. This association believes the insurance buying public is best served by the distribution and servicing of insurance through the American agency system. Insurance is an important but highly technical field in which the competent, independent business man, agent or broker is a specialist. He is, in our opinion, best qualified by training, experience and independent status to ascertain objectively and skillfully the insurance needs of the buyer, find and develop the best available market for placement thereof at reasonable cost, and fully protect the interests of the buyer in all dealings with the insurer throughout the term of the insurance coverage. His recognition as a vital factor in the fulfillment of the insurance requirements of the American public is attested by the fact that by far the majority of all insurance in every part of the United States is sold and serviced under the American agency system.

Inasmuch as a large part of the discussion about the state's insurance buying program thus far has centered around its liability and surety exposures, we believe it would be very helpful to your committee to review a liability insurance manual for political subdivisions published almost two years ago by this association in cooperation with various segments of the insurance industry and with representatives of the League of California Cities. We particularly call your attention to the initial section of this manual, which discusses recommended insurance procedures. You will note therein that this association believes a first essential in the handling of any

insurance program is the rendering of complete and full service by the insurance agent or broker selected to handle that program.

With the preceding background, we would like to offer suggestions concerning the way we believe the state's insurance program should be handled in the future:

First, we believe the state administration should purchase its insurance in the same manner as any prudent large buyer of insurance. Most large buyers of insurance employ an insurance manager or an insurance buyer whose function it is to analyze the various offerings of the insurance industry, and to work closely with an insurance agent or broker in the development and securing of insurance contracts designed to indemnify the firm against its many and varied exposures to loss. Just as with a large business, adequate supervision and control in respect to the state's insurance needs and the ascertainment, development and selection of markets to meet those needs can only be performed, we believe, by competent independent insurance agents or brokers. Therefore, we believe the state's administration should carefully select one or more independent insurance agency or brokerage firms to handle the placing and servicing of its insurance requirements. With respect to the administration's choice of insurance producer or producers for this purpose, we believe such a selection is not basically different from selection by the administration of the heads of executive departments. Presumably, the administration will select only insurance agents or brokers whom it deems competent and in whom it has confidence.

We believe the department of finance, the state's insurance agents or brokers, and the carriers writing the state's business should join together in a comprehensive loss prevention program in order to minimize wherever possible the loss of life, limb and property that occurs from preventable occurrences.

The California Assn. of Insurance Agents is the largest state organization of independent insurance agents and brokers in the United States. At present it has a voluntary membership of more than 2,600 separate firms of agents and brokers, with more than 10,000 licensed producers members of those firms. There are at present 106 local and county associations affiliated with the California Assn. of Insurance Agents. This association wishes to record its willingness to assist your committee and any other interested branch of state government in any proper way to accomplish the objectives outlined above, and to cooperate fully toward the end that the state at all times receives the maximum protection and service it can secure from the expenditure of funds for insurance premiums. To that end the full facilities of our association and its technical committees are available for whatever assistance it is within our power to give your committee.

Hartford Accident Adds to Matson's Duties on Coast

Earle L. Matson, superintendent of production in Los Angeles for Hartford Accident, will now assist field men and agents in the entire southern California territory.

Mr. Matson joined Hartford Accident in 1924 as a casualty underwriter. He was appointed special agent in the Los Angeles metropolitan territory in 1930, and was promoted to superintendent of the production department in 1950.

Insurance to Have a Leading Role in Minn. Legislature

ST. PAUL—The Minnesota legislature opened this week with indications that insurance will get as much attention as at previous sessions. Workmen's compensation bills are already being drafted by Rep. Prifrel, St. Paul, who among other things wants compensation raised to \$45 a week. It is now \$40. He also wants the longer "healing period," now 104 weeks, extended to 125 or 150 weeks.

Another legislative proposal affecting workmen's compensation is that of the Minnesota School Board Assn. which would require insurers to file with each employer a complete list of claims paid an employee. The association also wants a law allowing school districts to purchase blanket bonds for all employees handling school monies.

Reports around the capitol are that a compulsory automobile insurance bill has been drafted and Minnesota Assn. of Insurance Agents has alerted its members to contact their own legislators and urge them to oppose such a bill.

N. Y. Buyers to Stage Public Liability Panel

The New York chapter of American Society of Insurance Management will hold the fourth in a series of seminars Jan. 15 in New York. The subject will be public liability. William J. Allen of Commercial Union-Ocean group will speak on terms and conditions of the liability policy, Kenneth C. Hall of General Electric will discuss principal forms of liability coverage, and Owen S. Nye, attorney, will speak on the legal aspects of the liability policy. George A. Mearns of Sunshine Biscuits is chairman and coordinator.

Future seminars will be on marine and inland marine, self insurance, crime insurance, and employ benefits. The first three seminars dealt with boiler and machinery, workmen's compensation, and fire and supplementary perils.

San Antonio CPCUs Elect DeWolfe President

Everett DeWolfe, Home, has been elected president of San Antonio chapter of CPCU. Other officers chosen are: E. L. Donaldson, Johnston-Ramsdell agency, vice-president; and Donald H. Evans, Fitch agency, secretary-treasurer. All are of San Antonio.

Directors who were elected are: James C. Cochran, Cochran-Kinser-Hewlett-Moyer agency of Austin; William Gammon, Gammon agency, Austin; James R. Dinn, Wm. Dinn & Co., Corpus Christi; and W. A. Black, Texas Employers Assurance, San Antonio.

Provident Promotes Stronach, Wilkinson

Provident Fire has promoted Thomas H. Stronach from state agent to branch manager of North Carolina, South Carolina and Virginia, with headquarters at 300 Raleigh Building & Loan building, Raleigh, N. C. George W. Wilkinson has been advanced from special agent to state agent, assisting Mr. Stronach.

The Chattanooga agency of Trotter, Boyd & Keese has admitted two new partners, George Z. Patten and Llewellyn Boyd, son of A. Pollock Boyd, who founded the agency with W. Henry Trotter and W. S. Keese Jr. in 1926. Mr. Boyd joined his father in the business in 1953. Mr. Patten went to the firm two years ago. He formerly was with Provident Life & Accident.

AMERICA'S OLDEST REINSURANCE GROUP

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SINCE 1875

SAN FRANCISCO

MULTIPLE LINES

Up Cycle Ahead for Insurance Stocks

(CONTINUED FROM PAGE 2)

appraising their expense ratios with a view towards reducing costs wherever possible. Following several years of very profitable business, it is natural that there has been some laxness in maintaining standards and in eliminating uneconomical expenses. Now the reverse is happening.

Another effect is a critical look at the "growth for growth's sake" policy that most companies have followed since the war. Many companies have sought premium volume in lines where they had little experience. Straight fire companies have tried to develop casualty business, and vice versa, for diversification purposes. This trend toward the multiple line has created inefficiencies. The desirability of these moves is being closely re-examined.

Perhaps even more significant is the fact that it has now become apparent that the direct writers themselves are experiencing contracting profit margins. While it seems that their premium volume is still climbing, it appears unlikely that they as a group will operate in the black this year from an underwriting standpoint.

The logical aftermath is that rates generally will be increased. Already, in state after state, the commissioners are evaluating the evidence.

At this stage of the cycle for the industry, all is not entirely unfavorable. Premium volume has continued to edge upwards this year, and gains in unearned premium reserves are more or less standard. Liquidating values are close to their all-time highs, despite severe underwriting losses. Net investment income continues to climb, and increases of 10 to 15% in this category will be common, as well as seen from the year-end results. The stocks of many companies are selling for considerably less than their book values today, giving no valuation to their insurance business, i.e., their equity in the unearned premium reserve. The market, in effect, is saying that the insurance segment of the business is a liability and worthless than nothing. It would seem, however, that this essential industry which is so closely intermixed with our entire economy, which continues to grow with our economy regardless of technological changes, which, in fact, has had a

great preponderance of highly successful underwriting years, deserves a better rating.

Historically, the time to buy fire and casualty insurance stocks is at points such as this, at or near the bottom of a cycle when underwriting results have been poor and when rates are just starting to be increased. Presumably this cycle will be no exception to the rule; thus it might be argued that the time is again approaching to make long-term commitments in the industry. It must be recognized that there is a 12 to 18 month lag before rate increases are fully felt. Coupled with this is the fact that not until February and March, when the companies report, will the full effect of this year's unsatisfactory experience be widely known. There is little good news on the horizon that could be expected to

give any near-term impetus upwards to insurance stocks. Long-term investors, accordingly, must be patient and, above all, buy the stocks of the best underwriting firms even though such securities have declined the least. Experience has shown that when the turn comes they react the best and at times sell at substantial premiums over their liquidating values. Because of the relatively low yields afforded by

most insurance stocks, investors must expect the traditional substantial ploughback of underwriting profits in most years. The large multiple line, highly successful underwriting companies have done the best for their stockholders over the years in that they have been most successful in satisfying the compound interest needs of the type of investor that buys insurance stocks.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

ATTENTION: FIRE & CASUALTY COMPANY

Aggressive, experienced Insurance Agency with valuable personal contacts with insurance firms throughout Louisiana wishes to establish General Agency. Any progressive Stock Company, operating nationally, who wants excellent results in this State are asked to write:

"INSURANCE"

P. O. Box 414 New Orleans, Louisiana

AVAILABLE

Fire Fieldman, Wisconsin, age 33, married, 11 years Rating Bureau and Field Experience desires change. Address reply to Box S-13, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ANALYST

Immediate position with nationally known Service Company. Requires knowledge of fire, some casualty. Moderate travel, salary based on ability. Furnish experience data, education and age. Address Box S-3, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ADJUSTER AVAILABLE

Experience in all casualty with some fire and allied lines. 3 years as branch manager. 37, family, college. Relocate southwest, prefer Arizona. Box S-6, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELDMAN

Position Open, Wisconsin Territory
Fire and Allied Lines

CREAM CITY MUTUAL INSURANCE CO.
6700 West Capital Drive - Milwaukee, Wis.

INSURANCE UNDERWRITER OFFICE MANAGER

We have an excellent opportunity in our Detroit Office for an experienced Underwriter, preferably with a college education. Must be ambitious, have individuality and capable of assuming office management responsibilities. Excellent future, security and employee benefits. Write in confidence to Box S-8, c/o The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

ATTENTION INSURANCE MEN

One of the leading insurance groups in America, writing most property lines, is experiencing an unusual healthy growth. This is the result of progressive, well-planned methods. Our volume increase has made available several exceptional job opportunities in the Midwest area, including field work, underwriting and office management. If your qualifications are greater than your present job demands, or future requires, and you are interested in making the most of your abilities; willing to work hard with advancement dependent upon your own initiative and merit, we are ready to arrange an interview under the strictest confidential conditions. Men with college training, insurance experience, enthusiasm and desire for permanent association would be wise to look into this opportunity. Liberal and unique employee benefits are only part of the attractive offer. Salary is commensurate with ability and experience.

Write today.

GENERAL INSURANCE CO. OF AMERICA
3750 Lindell Boulevard, St. Louis, Mo.
Attention: Personnel Department

A & H CLAIM MANAGER

Wanted. Experienced man to work in American Mutual Liability's new offices at Lexington, Ky. Salary open with liberal employee benefits and 5 day week. Would also consider woman for this position. Address Box S-9, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE STATE AGENT WISCONSIN

Exceptional opportunity for well qualified fire and marine fieldman. Manage this department at Milwaukee Branch Office. Prominent full multiple line stock company. Reply in strictest confidence. Address Box S-18, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

PALM BEACH, FLORIDA

Assist in office management of small General Agency. Desire man 50-55 years of age. Excellent opportunity for company man retiring. Plenty of time allowed to arrange personal affairs. If interested, write JAMES K. SIEBRECHT, P. O. Box 309, Palm Beach, Florida.

INLAND MARINE FIELD MAN

Excellent opportunity for a man with experience to become associated with an old established Multiple Line Stock Company. Please submit résumé, complete employment and educational background to Box S-11, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER—Top casualty branch office stock company und. Salary open.

SPECIAL AGENT—Fire field man. Car plus open salary.

Elisabeth Cockrill
PERSONNEL SERVICE COMPANY
713 Bryant Bldg. Kansas City, Mo.
Victor 2-7745

FOR SHORT OR LONG TERM LEASE

In South Central Michigan all or any part of 50,000 square feet of light airy office space. Ideal for central control office of insurance. Personnel available in area—ideal living conditions. Reply to: W. R. MURPHY, SPARTON CORPORATION, Jackson, Michigan.

INSURANCE ENGINEER

National brokerage concern has an opening for an engineer to do survey and accident prevention work on all casualty lines. Experience preferred but will consider training young man with engineering degree. Unlimited opportunity for future advancement for right man. Write giving complete background. Box S-17, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE & MARINE FIELDMAN IOWA

Wanted by prominent full multiple line stock company. Excellent possibility of advancing to manager fire department, Des Moines or Davenport branch. Reply in strictest confidence. Address Box S-20, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

GROUP PROMOTION

One of America's leading group-writing companies seeks an all round group promotional specialist with a thorough background of merchandising group insurance on a nationwide scale. The right man will be a group professional with experience and knowledge of group in depth. He will be a creative self-starter capable of initiating, developing and delivering all kinds and conditions of group promotion and advertising—for large, medium and small employer cases, negotiated welfare plans on an international scale and various other combinations of group coverages.

He should be able to write well on group and, although not exactly a requisite, some knowledge of layout, typography and promotional procedure would be an added advantage.

This is a career job and the salary will be commensurate with the successful applicant's talents and potential. Our own employees know of this advertisement so you may write us with the utmost confidence, giving your details and requirements in full. We are looking for a top caliber man and are prepared to pay the appropriate price. Please indicate whether you wish to be interviewed in your home city or in Chicago. BOX S-16, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

SPECIAL AGENTS for a rapidly expanding progressive, young insurance company recently entered in states of Iowa, Kansas, Minnesota, Missouri and Nebraska. Prefer men with following in these states. Splendid opportunity for advancement. Please give full detail as to age, experience and salary requirements. Address Box S-21, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY ADJUSTER

Experienced Casualty man needed to work territory out of Indianapolis. Also similar opening in Evansville, Indiana. **GENERAL ACCIDENT, FIRE & LIFE ASSURANCE CORP., LTD.**, 1835 North Meridian Street, Indianapolis, Ind.

Move for Adequate Automobile Rates Starts in Oregon

National Bureau of Casualty Underwriters and Underwriters Assn. have have revised Oregon automobile rates, effective Jan. 9.

The liability revision is part of a countrywide program to adjust rates according to recent experience, the bureau stated, experience which has become increasingly adverse. Claim frequency and claim costs have continued to rise. The costs of practically everything that affects automobile insurance rates have continue upward. Hospital costs continue to climb. Prices of new automobiles are up. Automobile repair costs have risen. Court and jury awards in liability cases continue to follow an upward trend.

For all Oregon territories except one the experience of insured cars has been unfavorable, and rates are increased for all car classifications. For cars without male operators under 25 the rate increases range from \$3 to \$15. For cars owned or operated by married young men under 25 and family cars with young male operators the rate increases range from \$8 to \$22. For cars owned or principally operated by unmarried young men under age 25 increases range from \$36 to \$60.

In the Astoria, Eugene, Klamath Falls and Salem territory the rate increases \$22 for cars owned or principally operated by unmarried men under 25, but rates for all other cars are reduced from \$1 to \$4.

NAUA comments that private passenger comprehensive and collision rates were reduced 20% Aug. 15, 1955, as a result of improving experience at that time. Shortly after these reductions became effective the improving experience trend reversed itself and during the latter part of 1955 and throughout 1956 has steadily worsened. NAUA has increased comprehensive rates 37%, \$50 deductible collision 16% and \$100 deductible 24%. In the Portland territory, increases are somewhat below the average. Local commercial rates are being reduced 10%.

National Bureau also has revised automobile liability rates for commercial cars and division 1 garages in Iowa and New Jersey, effective Jan. 9. The commercial car rates are increased 6% for Iowa and 2% for New Jersey, and the garage rates increase 16% in Iowa, and reduce 9% in New Jersey. These changes are for BI and PDL combined.

Colo. Fire Rates on Dwellings Reduced

Fire rates in Colorado for dwellings, farm properties and tourist courts have been reduced, and the state now has among the lowest rates in the country for dwellings.

In Denver, a 1-family composition roof brick dwelling will carry a rate of 6 cents per \$100 instead of the former 8 cents.

The Colorado reduction is the third in the last five years, and has the effect of cutting rates on the effected classes to less than 50% of the 1951 level.

Ohio Agent's License Revoked

COLUMBUS—The Ohio department this week handed down a ruling barring Joseph S. Gregorious from acting as an agent in Ohio and ruled that his license be revoked. The department said its ruling was decided on the

question of whether Mr. Gregorious was "honest and trustworthy."

The department said evidence showed that Mr. Gregorious issued a considerable number of what were purported to be insurance policies to Ohio residents on forms showing the insurer to be Gibraltar Automobile Insurance Assn. of Hayward, Wis. The evidence indicated there was no such organization licensed or incorporated in Wisconsin, Indiana or Ohio, and that the Illinois department has no record of such an organization. It was stated that with each policy issued on the Gibraltar a policy was taken out in Stuyvesant, but the premiums paid to Stuyvesant were much lower than those charged by Gibraltar.

Virtually the same ruling was made in the case of Columbus Insurance Agency Inc., which is owned by Gregorious. He was the only licensed person acting for the agency.

Bridgwater Succeeds Taliaferro at Atlanta for Southwest General

Roger Bridgwater, who has been serving as state agent in Georgia for Southwest General of Dallas, has been named to succeed Harry Taliaferro as manager of the southern department with headquarters in the Volunteer building, Atlanta.



Roger Bridgwater

Mr. Taliaferro reached retirement Jan. 1 after 40 years in the insurance field in a supervisory capacity in the southern states.

Mr. Bridgwater has been associated with Mr. Taliaferro in the Southwest General's regional office in Atlanta since August, when he was promoted from manager at Amarillo. Prior to this joining Southwest General in 1953 he was with a general agency in Texas.

Mr. Taliaferro established Southwest General's operations in Georgia and other southeastern states.

Complete Integration of Brink-Linnell General Agency With Aetna Fire

The merger of Aetna Fire and the former Brink-Linnell general agency has been completed with the opening of enlarged air-conditioned offices at 730 McKnight building, Minneapolis.

The Brink-Linnell general agency was established in 1924 and has been one of the leading fire and general agencies in Minnesota. Under the combined operation with Aetna Fire, complete multiple line facilities will be available, and in addition to the Minneapolis office there is a service office at Duluth under the supervision of Al Johnson, special agent.

Warren Foster is state agent for Aetna Fire in Minnesota and J. R. Brink will retain the title of general agent.

500 at General Agency Party

More than 500 people, including Oklahoma Commissioner Hunt, attended a 10-year anniversary open house held by Selman & Co., general agency of Tulsa, at its new home office building. The agency also maintains a branch office in Oklahoma City.

Argonaut group of California will hold an open house in its new home office building in Menlo Park Jan. 18. The group will use its present home office at San Francisco as the headquarters for the northern California department.

Late News Bulletins...

(CONTINUED FROM PAGE 1)

ing division.

Mr. Marsh has been with the company since 1927. He became a special agent in Philadelphia in 1937, returned to the home office in 1946 as inland marine general agent and was appointed marine secretary in 1949. He becomes a full secretary of the IM department.

Mr. Mueller, a graduate of Illinois Tech. formerly was with Chicago Board and Michigan Inspection Bureau. He joined Phoenix in 1947 as state agent in eastern Michigan and was made manager of Wayne county in 1950. He was appointed assistant secretary in 1953. He becomes secretary of the engineering and research division of the administrative services department and is liaison for Phoenix in the new electronic data processing program, SPAN, developed at Hartford by several New England insurers.

Mr. Davison, formerly with Glens Falls, joined Phoenix in 1952. As director of education, he was in charge of the field training program and the fire and casualty correspondence school. Last year he was appointed executive assistant on special assignment to the Pacific coast department. He becomes assistant secretary in the casualty department.

HIAA Sets Forum on Group Feb. 4-6

Health Insurance Assn. of America will sponsor its first annual group insurance forum in Chicago Feb. 4-6. Representatives of 254 U. S. and Canadian insurers will attend. Discussions will include state and federal health insurance legislation, a panel on major medical expense, and the underwriting of group.

A series of 10 breakfast workshop sessions for representatives handling group health will be held Feb. 5-6. Topics include retired employee and rural resident coverage, school insurance, cost control, impact of social security legislation on group, and federal interest in welfare funds. Ralph C. Knoblock, Washington National, is chairman.

N. Y. Central Loss Almost \$500,000

Losses resulting from the fire which recently destroyed an eight stall section of the New York Central Railroad's roundhouse near Albany, and damaged five diesel engines valued at \$200,000 each, will ultimately total less than \$500,000, a spokesman for the company's insurance department has said. The loss was insured.

First reports set the loss at \$2 million but an investigation of the building and the engines has revealed that there was more surface than interior damage. Although the section of the roundhouse where the fire started was completely destroyed, the company expects that salvage on the engines will be high and will reduce the total loss to less than one-fourth the initial estimate.

Office Management Seminar Set for Chicago March 11-14

The Chicago chapter of National Office Management Assn. will hold its annual seminar at the Conrad Hilton hotel March 11-14 in conjunction with Northwestern university. The program includes talks by 13 experts in the field, who will discuss the labor turn over, hiring practices, training, employee morale, record systems, communications and supervision.

Concurrently with the seminar there will be a business show displaying the latest office equipment and electronic machines.

Banks Opens Own Office

H. Fred Banks, formerly branch manager and general adjuster for Western Adjustment at Louisville, has opened his own office there to handle fire, auto, marine and casualty claims. Mr. Banks is a member of the Kentucky Bar Assn. and holds a certificate in safety engineering.

\$100,000 Church Blaze in Ky.

Defective wiring caused a \$100,000 fire which wrecked the First Presbyterian church at Dayton, Ky. The church had \$90,000 insurance.

Memphis Surety Group Elects Massey President

Owen Massey of Employers group was elected president of the Surety Assn. of Memphis at the annual meeting. He succeeds Charles Dillon of Fidelity & Casualty. George Wesson of National Surety was elected vice-president, and Marvin Demuth, Fidelity & Deposit, secretary-treasurer.

Two Cal. Brokerage Firms Merge

Griswold & Co. and Withoft & Farley, California brokerage firms, have formed a partnership to be known as Griswold, Withoft & Farley.

The new organization, described as a co-partnership of corporations, will maintain offices in San Francisco, Los Angeles, Oakland, New York and Newark.



George H. Moloney, retiring vice-president of Hartford Accident at Chicago, is pictured with his successor, W. Harold Rutherford (left), at a party honoring Mr. Moloney held by Casualty & Surety Managers of Chicago. Mr. Rutherford, while retaining his title as manager, will assume the duties of Mr. Moloney, who has been with the company for more than 40 years.

Photograph by Harry H. Fuller, mid-west manager of the National Bureau, who is back on duty after undergoing surgery.

the world's largest glazing project ...

The Commonwealth Promenade Apartments, 2800 Sheridan Rd., and the 900 Esplanade Apartments, 900 Lake Shore Drive, Chicago, is the largest single glazing job in the world.

The fact that there are about 10 acres of glass involved is a good indication of its size.

We, at American, are extremely proud to be associated with this project.



Commonwealth Promenade Apartments
Mies Van Der Rohe—Architect
Friedman, Alshuler & Sincere—Associate Architects
Herbert Construction Co.—Contractor

900 Esplanade Apartments
Mies Van Der Rohe—Architect
Friedman, Alshuler & Sincere—Associate Architects
Herbert Construction Co.—Contractor

or ... a simple glass replacement



American Serves WITH SPEED AND DEPENDABILITY

Proud as we are to be associated with the project above, we wish to stress that we give the same unequalled service, price and dependability on any job, whether it's a simple door lite replacement or the largest project in the world.

In order to improve our service even further, we recently had two way radios installed in our fleet of service cars and trucks.

Now it is possible to call our office for service and have a radio dispatched vehicle surveying your needs within a matter of minutes.

This constant desire to give you and your assureds the best kind of service has been responsible for the fact that 90% of our business is repeat.

We solicit the opportunity to make your assureds satisfied, thereby making your job of coverage renewal easier.

CALL

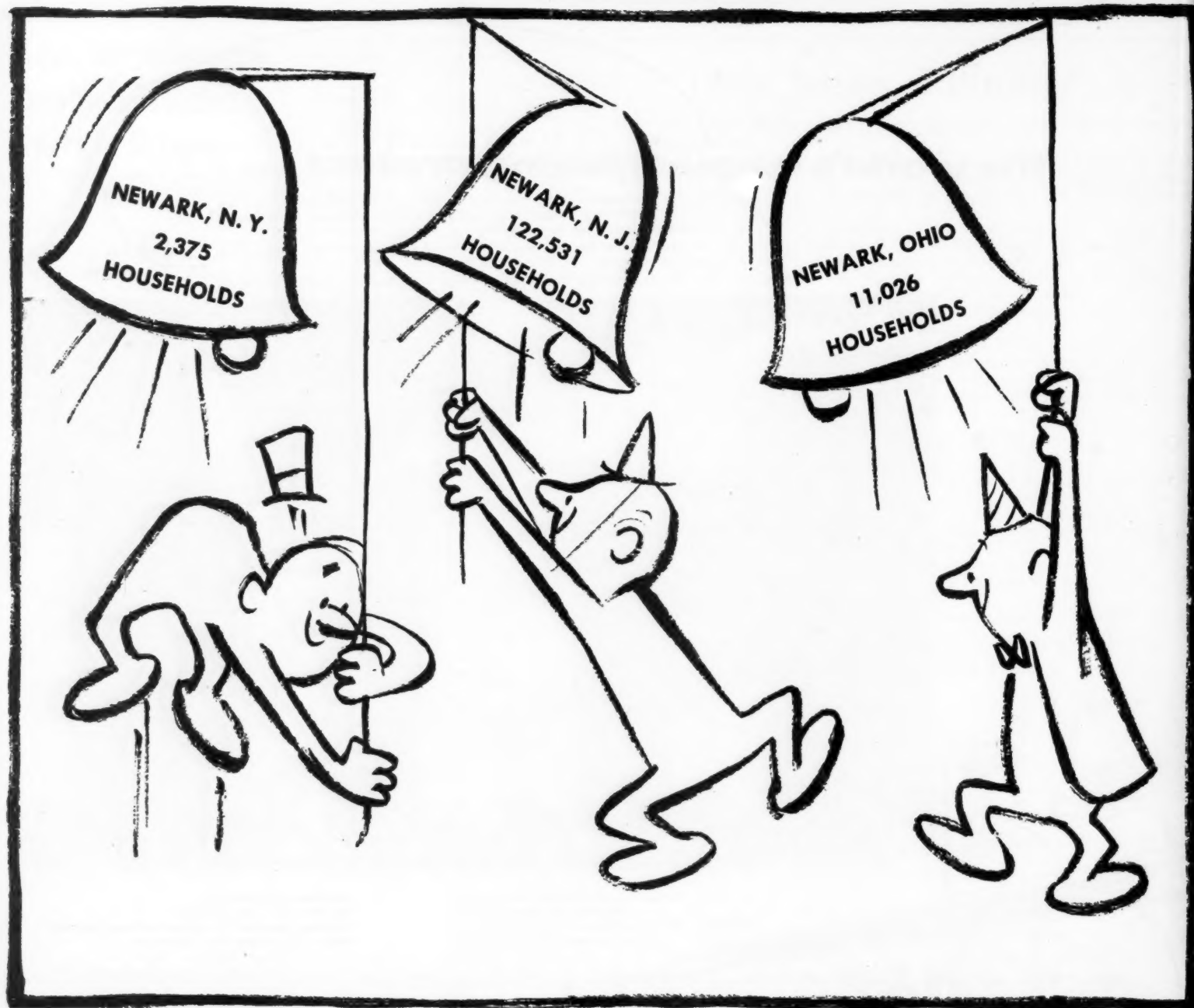
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Because people respond to LIFE

LIFE makes it a profitable New Year—wherever you are

This year, as every year, count on LIFE's *localized impact* to help you place insurance.

Insurance advertising in LIFE reaches the largest audience of *any* weekly magazine. In 13 weeks, LIFE reaches 3 out of 5 households in the average community. That's *neighborhood coverage* . . . it influences *your* prospects, wherever you live and work.

LIFE precedes you, introduces you, assists you every week . . . because people *respond* to LIFE. They look, listen, and react . . . to great stories, great pictures, and a great wealth of insurance advertising.

Wherever you work, you'll find LIFE helps create customer confidence in you and your company . . . and thus helps build insurance sales.

Audience source: A Study of the Household Accumulative Audience of LIFE.
A Study of Four Media.

PEOPLE RESPOND TO THE POWERFUL, LOCAL INFLUENCE OF

LIFE

These fire and casualty companies advertised in LIFE during 1956: Allstate Insurance Co. • America Fore Insurance Group • Blue Cross-Blue Shield Commission • Hartford Fire Insurance Co. Group • Mutual Benefit Health & Accident Association • State Farm Mutual Auto Insurance Co. • The Travelers Insurance Co.